

Portland Public Schools Board of Education



2010-2011

Agenda

Regular Meeting
February 7, 2011

The next regular meeting of the Board will be held on **February 28, 2011**, at 5:30 pm at the Blanchard Education Service Center.

NOTE: The Board's agendas are focused on the five strategic operatives of the District as found in the 2005-2010 Strategic Plan: Excellence in Teaching and Learning; Excellence in Operations and Services; Strong Partnerships with Families and Community; Leadership for Results; and Continuous Learning Ethic.

Portland Public Schools Nondiscrimination Statement

Portland Public Schools recognizes the diversity and worth of all individuals and groups and their roles in society. All individuals and groups shall be treated with fairness in all activities, programs and operations, without regard to age, color, creed, disability, marital status, national origin, race, religion, sex, or sexual orientation.

Board of Education Policy 1.80.020-P

Marysville Marimba Band

Cori Vogel

Aspyn Erickson

Jeremy Bernardino

Jessica Del Cid

Audrie Hanna

Vicky Nguyen

Rayla Moore

Francisco Lopez

Jordan Affolter

Kathy Truong

Tia Phal

Javaunce Daniels

Misha Vongsaly

Gloria Aiten

Eric Schopmeyer, Director



PORTLAND PUBLIC SCHOOLS

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STAFF REPORT SUPERINTENDENT RECOMMENDATION

To: Superintendent Smith

Thru: *Hank Harris, Executive Director Human Resources*

From: *Terri Burton, Director Benefits and Compensation*

Date: *January 19, 2011*

Subject: *Cafeteria Plan Policy 5.10.090-P First Amendment 1/1/2011*

Issue Statement

In response to the 2010 national health care reform legislation and IRS tax code changes it has become necessary to amend the PPS Cafeteria Plan Board (FSA) Policy 5.10.090-P. The Cafeteria Plan Policy governs the administration of the District's Flexible Spending Account Plan. Attached please find a marked copy of the new policy for review. It is requested that FAO approve the new policy to go before the PPS Board of Education on February 7 for a first reading and after public comment final action be taken at the March 14th Board of Education meeting.

Background

The previous Cafeteria Plan Board Policy 5.10.090-P was created January 1, 2006 in response to tax code changes. A letter from Julia A. DeWitt, PC of Miller Nash is attached stating the plan changes that are necessary.

In summary, the plan changes are:

1. Accommodating the health reform addition of dependents under the age of 26
2. Revisions to the definition of a dependent
3. Enrollment rule changes
4. Plan year clarifications to match the underlying group health plans
5. Reducing employee election amounts effective 1/1/2013
6. Including new qualified reservist rules
7. Changing over-the-counter medicine reimbursement rules
8. Tightening of employer coverage rescind rules
9. Clarifying grandfather status of the plan and disclosure rules surrounding that status

Related Policies/Fiscal Impact

In 2013 employees will only be allowed to shelter \$2,500, versus \$3,000 currently allowed by the IRS.

Board Options

There are no financial implications to the District, other than in 2013 employees will be allowed to shelter \$500 less per year in the health savings account. The \$500 could be included in District employment tax payments. Currently the plan has approximately 700 participants and many of those do not contribute the maximum.

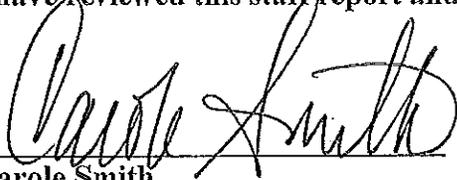
Staff Recommendation

I recommend the Board approve this policy revision to go forward to the February 7 Board of Education Meeting for a first reading and approval at their March 14th meeting.

Board Committee Review

This policy is slated to go before FAO at their January 19, 2011 meeting.

I have reviewed this staff report and concur with the recommendation to the Board.



**Carole Smith
Superintendent
Portland Public Schools**

1.19.2011
Date

ATTACHMENTS

- A. Marked copy of revised Cafeteria Plan Board Policy 5.10.090-P First Amendment
- B. October 8, 2010 letter from Julie A. DeWitt, P.C. at Miller Nash

Portland Public School District 1st Reading

DATE: February 7, 2011

Notice of Proposed Policy Amendment and Public Comment for Portland Public Schools Cafeteria Plan

The Portland Public School District is providing Notice of a Proposed Policy Amendment and Public Comment to offer interested parties reasonable opportunity to submit data or comments on the proposed policy noted below.

Public comment may be submitted in writing directly to the district or through the district Web site noted below. Written comments must be submitted by 5:00 p.m. on the Last Date for Comment listed below.

1st Reading by: Pam Knowles, Co-Chair, Portland Public School Board
Summary: Amending District policy guidelines for its Cafeteria Plan.

Draft Policy Web Site:

<http://www.pps.k12.or.us/departments/board/872.htm>

(click on draft policy link).

Recommended for 1st Reading by: Finance, Audit and Operations Committee

Policy Contact: Lynda Rose, Manager Board of Education

Last Date for Comment: March 1, 2011

Address: P.O. Box 3107, Portland, OR 97208-3107

Telephone: 503-916-3741

E-mail: lrose@pps.k12.or.us

Last Date for Comment: March 1, 2011

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	<p>BOARD POLICY CAFETERIA PLAN</p>	<p>5.10.090-P</p>
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I. NAME

ARTICLE 1

NAME AND EFFECTIVE DATE

(1) **1.1 Name.** This plan ~~Plan~~ shall be known as the Portland Public Schools Cafeteria Plan.

(2) **1.2 Effective Date.** The effective date of this plan ~~amended and restated Plan~~ is ~~May~~ ~~January 1, 1994.~~ ~~2006.~~ The benefits payable to or on behalf of a participant ~~Participant~~ in the plan ~~Plan~~ in accordance with the following provisions shall not be affected by the terms of any amendment to the plan ~~Plan~~ adopted after the participant ~~Participant~~ separates from service with the district ~~District~~ unless the amendment expressly provides otherwise.

MARKED COPY
 SHADED = ADDITION
 _____ = DELETION
 OCT 28 2010

H. Definitions:**ARTICLE 2****DEFINITIONS**

Whenever used herein, unless the context clearly indicates otherwise, masculine, feminine, and neuter words may be used interchangeably, singular shall mean the plural and vice versa, and the following words and phrases shall have the following meanings: **when used with an initial capital letter:**

(1) — **2.1** **“Account”** means the separate record or records maintained by the plan administrator **Plan Administrator** in the name of a participant **Participant** in accordance with this Plan.

2.2 **“Benefit Package Option”** means a qualified benefit under Code Section 125(f) that is offered under a cafeteria plan, or an option for coverage under an underlying accident or health plan (such as an indemnity option, an HMO option, or a PPO option under an accident or health plan).

(2) — **2.3** **“Code”** means the Internal Revenue Code of 1986, as amended, and successor Codes thereto.

(3) — **2.4** **“Compensation”** means eligible employee **an Eligible Employee**'s wages or salary from the District during the plan year **Plan Year** for personal services rendered, including bonuses, overtime, commissions, and other forms of remuneration includable in gross income.

(4) — **2.5** **“Dependent Care Expenses”** means expenses described in Section 10.4 that are incurred by a participant **Participant** and are considered employment-related expenses as defined in Code Section 21(b)(2), but only to the extent that such amounts are reimbursable under the separate dependent care assistance program set forth in Article 10 and are not used by the participant **Participant** to obtain a credit against the participant **Participant**'s federal income tax for employment-related expenses under Code Section 21.

(5) — **2.6** **“Dependent”** means, for purposes of 2.9, 2.16, and 4.3, a person who is a participant **Participant**'s dependent as defined in Code Section 152, except that, for purposes of accident or health coverage, any child to whom Code Section 152(e) applies is treated as a dependent of both parents, and, for purposes of dependent care assistance provided through a cafeteria plan, a dependent means a qualifying individual (as defined in Code Section 21(b)(1)) with respect to the Participant. For purposes of 2.10 and Article 9, a Dependent means a person who is a Participant's dependent as defined in Code Section 105(b).

(6) — **2.7** **“District”** means school district **School District** No. 1, Multnomah County, Oregon.

CAFETERIA PLAN

5.10.090-P

(7) — 2.8 “**Eligible Employee**” means any ~~district~~**District** employee, other than the following individuals:

(a) An employee who is a member of a collective bargaining unit, which ~~that~~ has bargained in good faith with the ~~district~~**District** over the benefits provided under this Plan and the bargaining agreement does not specifically require participation in this Plan.;

(b) ~~Student workers.~~**A student worker;**

(c) An employee who is employed on an on-call basis, **a limited-term employee,** or **an employee** who does not have regularly scheduled hours of employment, ~~except that~~**excluding** substitute teachers ~~shall be eligible employees.~~;

(d) A person who ~~is not a district~~**performs services for the District pursuant to an agreement between the District and an organization that leases employees (including a person who is not an** employee, but who is treated as an employee, for purposes of Code Sections 106, 125, and 129, by reason of being a “leased employee” as defined in Code Section 414(n).;

~~(e)~~**(e)** A self-employed person as defined in Code Section 401(c).; ~~and~~

~~(8) —~~**f) A person who performs services for the District but who is treated for payroll tax purposes as other than an employee of the District (and regardless whether the person may subsequently be determined by a governmental agency, by the conclusion or settlement of threatened or pending litigation, or otherwise to be or have been an employee of the District).**

Notwithstanding the foregoing, substitute teachers and any employees who have regularly scheduled hours of employment but are less than half-time employees are excluded from the definition of “Eligible Employee” for purposes of the Premium Payment Benefit described in 4.1(a) only.

2.9 “Family Member Plan” means a cafeteria plan or Qualified Benefits Plan sponsored by the employer of the Participant’s spouse or the Participant’s Dependent.

2.10 “Health Care Expense” means an expense incurred by a participant on behalf of the participant, the participant’s spouse or dependent Participant on behalf of the Participant or the Participant’s spouse, Dependent, or child (as defined in Code Section 152(f)(1)) who has not attained age 27 as of the end of the Participant’s taxable year, for medical care as defined under Code Section 213(d), but only to the extent such expense is reimbursable under the separate health care reimbursement program set forth in Article 9 and not used as a deduction on the participant Participant’s federal income tax return.

~~(9) —~~**2.11 “Participant” means an eligible employee Eligible Employee who has commenced and continues participation in the plan Plan as provided in Article 3.**

~~(10)~~ ~~“2.12~~ **“Plan”** means this Portland Public Schools Cafeteria Plan, as amended from time to time.

~~(11)~~ ~~“2.13~~ **“Plan Administrator”** means such person or persons appointed by the ~~district~~**District** to control and manage the operation and administration of the ~~plan~~**Plan**. In the absence of such an appointment, the ~~district~~**District** shall be the ~~plan administrator~~**Plan Administrator**.

~~(12)~~ **“Plan Year”** means the 12 month period beginning each May and ending each April 30. The plan year shall be the year on which the records of the Plan are kept.

2.14 **“Plan Year”** means, with respect to the health care reimbursement account program and the dependent care reimbursement account program, the calendar year (January 1 through December 31).

With respect to the premium payment benefit described in 4.1(a), the **Plan Year** means the plan year of the underlying group health plans. To the extent that the underlying group health plans have differing plan years, there shall be a separate premium payment benefit for each group of group health plans that have the same plan year. The **Plan Years** for the premium payment benefits are listed in Exhibit A, which is attached hereto and incorporated by this reference herein. Exhibit A may be revised from time to time by the Plan Administrator without a formal amendment of this Plan document.

2.15 **“Qualified Benefits Plan”** means an employee benefit plan governing the provision of one or more benefits that are qualified benefits under Code Section 125(f). A plan does not fail to be a **Qualified Benefits Plan** merely because it includes a flexible spending arrangement (as defined in Code Section 106(c)(2)), provided that the flexible spending arrangement meets the requirements of Code Section 125 and the regulations thereunder.

2.16 **“Similar Coverage”** means coverage for the same category of benefits for the same individuals (e.g., family to family or single to single). For example, two plans that provide major medical coverage provide **Similar Coverage**. A health flexible spending arrangement is not **Similar Coverage** with respect to an accident or health plan that is not a health flexible spending arrangement. Coverage provided by another employer, such as a spouse's or Dependent's employer, may be treated as providing **Similar Coverage** if it satisfies the requirements of this section.

III. Eligibility.**ARTICLE 3****ELIGIBILITY**

~~(1)~~**3.1 Eligibility for Participant.** An eligible employee ~~Participation.~~ An ~~Eligible Employee~~ shall be eligible to participate in this plan ~~Plan~~ on the first day of the calendar month after he or she has completed one full calendar month of employment.

~~(2)~~**3.2 Termination of Participant Participation.** In the event a participant ~~Participant~~ transfers to an ineligible class of employees or terminates employment with the district ~~District~~, the participant ~~Participant~~'s participation in this plan ~~Plan~~ shall cease as of the date of such transfer or termination, except as specifically provided for in this plan ~~Plan~~.

~~(3)~~**3.3 Transfer from Ineligible to Eligible Class.** In the event an ineligible employee transfers to the eligible class, he or she shall be eligible to participate in the plan ~~Plan~~ on the first day of the calendar month following the transfer if he or she is a former participant ~~Participant~~ or has previously satisfied the requirements of 3.1 and would have previously been eligible to participate if he or she had been in the eligible class.

IV. Participation:**ARTICLE 4****PARTICIPATION**

~~(1)~~**4.1 Election to Participate.** The participation election form shall be signed by the eligible employee **Eligible Employee**, shall designate the benefits in which the eligible employee **Eligible Employee** elects to participate, and shall designate the plan year **Plan Year** (or the remaining portion of the plan year **Plan Year**) as the time period for which participation will be effective. The election form shall also specify the amounts by which the employee's compensation **Compensation** shall be reduced or the amount of such reduction shall be determinable from that form. ~~A participant's compensation.~~ **A Participant's Compensation** reduction election must satisfy the minimum and maximum elective contribution requirements in ~~V(3).~~**5.3.**

An election form filed by a participant **Participant** is subject to acceptance, modification, or rejection by the plan administrator. ~~The plan administrator.~~ **Plan Administrator.** ~~The Plan Administrator~~ may modify or reject an election in order to satisfy the terms of this plan **Plan** or applicable legal requirements.

An eligible employee **Eligible Employee** may elect to receive one or more of the following benefits, all of which (except the cash benefit) shall be paid or reimbursed under this plan **Plan** by a compensation **Compensation** reduction agreement with the employee:

(a) **Premium Payment Benefit.** This benefit consists of the Participant's share of the cost of the premiums under the District-provided group health plans; ~~to the extent that coverage under such plans is excludible from income under Code Section 106.~~ The terms, conditions, and benefits of the various health plans are set forth in separate plan documents which are incorporated herein by this reference.

(b) **Health Care Expense Reimbursement Benefit.** This benefit consists of Health Care Expenses incurred by the Participant that are reimbursable under the health care reimbursement program set forth in ~~IX.~~ **Article 9.**

(c) **Dependent Care Expense Reimbursement Benefit.** This benefit consists of Dependent Care Expenses incurred by the Participant that are reimbursable under the dependent care assistance program set forth in ~~X.~~ **Article 10.**

(d) **Cash Benefit.** This benefit consists of taxable cash compensation payable in substantially equal amounts ratably over the Plan Year or over the portion of the Plan Year during which the Participant's Compensation is generally paid when the Participant has elected to be compensated on a school year basis.

~~(2)~~ **4.2 Election Procedures.** The following rules shall govern an eligible employee ~~Eligible Employee's~~ elections under this plan ~~Plan~~:

(a) **Initial Participation.** Except as otherwise provided in 4.3, if the eligible employee ~~Eligible Employee~~ does not make the participation election before the employee is to begin participation under 3.1, the employee's election may be made only during the annual open enrollment period and will be effective as of the first day of the plan year ~~Plan Year~~ to which the open enrollment period applies.

(b) **Continuation of Participation.** A participant ~~A Participant~~ shall make a new election for each plan year ~~Plan Year~~ to continue participation in the plan. A participant ~~Plan. A Participant's~~ election shall be made during the annual open enrollment period chosen by the plan administrator ~~Plan Administrator~~, prior to the beginning of the plan year ~~Plan Year~~ to which the election applies. The first day of that plan year ~~Plan Year~~ shall be the effective date of the participant ~~Participant's~~ participation for that plan year ~~Plan Year~~.

(c) **Eligible Expenses.** Expenses eligible for reimbursement under a reimbursement benefit elected by the participant ~~Participant~~ shall be only the eligible expenses incurred by the participant ~~Participant~~ after the effective date of the employee's participation and during the plan year ~~Plan Year~~ for which the election is made. Expenses incurred before or after the applicable plan year ~~Plan Year~~ or the period of coverage shall not be reimbursable from amounts contributed by the district ~~District~~ on behalf of the Participant during the applicable plan year ~~Plan Year~~.

(d) **Additional Eligibility Requirements.** The program and plan documents incorporated by reference into this Plan may have their own eligibility requirements for participation. The eligibility rules of this Plan are in addition to and do not override the eligibility rules of the benefit programs or plans that have been incorporated by reference herein.

~~(3)~~ **4.3 Revocation and Changes.** Once made, a participant ~~Participant's~~ election shall be effective for the entire plan year ~~Plan Year~~ for which made and shall not be revoked or changed except as provided in this section. The reasons for which revocations or changes in elections provided in this section are permitted may be restricted pursuant to non-discriminatory ~~nondiscriminatory~~ rules adopted by the plan administrator, which ~~Plan Administrator that~~ are consistently applied. Benefit ~~Except as provided below, benefit~~ election changes must be made within 31 days after the event that entitles the Participant to make the election change. ~~With respect to a benefit election change made under 4.3(c) on account of losing coverage under Medicaid or a state child health plan ("CHIP") or becoming eligible for a premium assistance subsidy under Medicaid or CHIP, the election change must be made within 60 days after the loss of coverage or the determination of eligibility, as applicable.~~

If any election change is conditioned upon an individual obtaining (or ceasing) coverage under another plan, the Plan Administrator may rely on a Participant's certification that the individual has or will obtain (or does not have or will cease) coverage under the other plan (unless the Plan Administrator has reason to believe that the certification is incorrect).

(a) **Significant Cost or Coverage Changes.** This ~~(3)4.3(a)~~ sets forth rules for election changes as a result of changes in cost or coverage. This ~~(3)4.3(a)~~ does not allow election changes with respect to the benefits ~~health care expense reimbursement benefit~~ described in ~~4.1(b)~~.

(1)(a). ~~(A)~~ **Cost Changes.**

~~(iA)~~ **Automatic Changes.** If the cost of a Qualified Benefits Plan increases or decreases during a Plan Year and, under the terms of the plan, Participants are required to make a corresponding change in their payments, the Plan Administrator may, on a reasonable and consistent basis, automatically make a prospective increase or decrease, as the case may be, in the affected Participants' payments ~~Compensation reduction contributions for such plan.~~

~~(b) Change in Family Status.~~ A Participant may revoke an election during a plan year and make a new election for the remaining portion of the plan year if the revocation portion of the plan year if the revocation and new election are both on account of a change in family status and are consistent with such change in family status. For purposes of this paragraph examples of changes in family status for which a benefit election change is permitted include the marriage or divorce of the participant, the death of the participant's spouse or a dependent, the birth or adoption of a child of the participant, the termination of employment (or the commencement of employment) of the participant's spouse, the switching from part-time to full-time employment status or from full-time to part-time status by the participant or the participant's spouse, and the taking of unpaid leave of absence by the participant or the participant's spouse. Election changes are also permitted where there has been a significant change in the health coverage of the participant or spouse attributable to the spouse's employment. Benefit election changes are consistent with family status changes only if the election changes are necessary or appropriate as a result of the family status changes. Benefit election changes under this subsection (b) must be made within 31 days after the family status change.

(c) **Termination of Employment**—A participant who terminates employment during the plan year may revoke existing benefit elections and terminate the receipt of benefits for the remaining portion of the plan year.

However, in such a case, if the former participant returns to employment during the same plan year, he or she may not make a new benefit election for the remaining portion of the plan year.

(B) Significant Cost Changes. If the Plan Administrator determines that the cost charged to a Participant for a Benefit Package Option has significantly increased or decreased during a Plan Year, the Participant may make a corresponding change in election under the Plan. Changes that may be made include commencing participation in the Plan for the Benefit Package Option with a decrease in cost, or, in the case of an increase in cost, revoking an election for that coverage and, in lieu thereof, either receiving on a prospective basis coverage under another Benefit Package Option providing Similar Coverage or dropping coverage if no other Benefit Package Option providing Similar Coverage is available.

(C) Application of Cost Changes. For purposes of 4.3(a)(1)(A) and (B), a cost increase or decrease means an increase or decrease in the amount of the Compensation reduction contributions under the Plan, whether that increase or decrease results from an action taken by the Participant or the Employer.

(D) Application to Dependent Care. This 4.3(a)(1) applies in the case of a dependent care assistance plan only if the cost change is imposed by a dependent care provider who is not a relative of the Participant. For this purpose, a relative is an individual who is related as described in Code Sections 152(d)(2)(A) through (G), incorporating the rule of Code Section 152(f)(4).

(2) Coverage Changes.

(A) Significant Curtailment Without Loss of Coverage. If a Participant (or a spouse or Dependent) has a significant curtailment of coverage under a plan during the Plan Year that is not a loss of coverage as described in 4.3(a)(2)(B) (such as a significant increase in the deductible, the copay, or the out-of-pocket cost sharing limit under an

accident or health plan), any Participant who had been participating in the plan and receiving that coverage may revoke his or her election for that coverage and, in lieu thereof, elect to receive on a prospective basis coverage under another Benefit Package Option providing Similar Coverage.

Coverage under a plan is significantly curtailed only if there is an overall reduction in coverage provided under the plan so as to constitute reduced coverage generally.

(B) Significant Curtailment With Loss of Coverage.

If a Participant (or a spouse or Dependent) has a significant curtailment that is a loss of coverage, that Participant may revoke his or her election under the Plan and, in lieu thereof, elect either to receive on a prospective basis coverage under another Benefit Package Option providing Similar Coverage or to drop coverage if no Benefit Package Option providing Similar Coverage is available. A loss of coverage means a complete loss of coverage under the Benefit Package Option or other coverage option (including the elimination of a Benefit Package Option, an HMO ceasing to be available in the area where the individual resides, or the individual losing all coverage under the option by reason of an overall lifetime or annual limitation). The Plan Administrator may, in its discretion (which may be exercised on a case-by-case basis provided that the exercise of discretion does not discriminate in favor of highly compensated Participants), treat the following as a loss of coverage:

(i) A substantial decrease in the medical care providers available under the option (such as a major hospital ceasing to be a member of a preferred provider network or a substantial decrease in the physicians participating in a preferred provider network or an HMO);

(ii) A reduction in the benefits for a specific type of medical condition or treatment with respect to which the Participant, spouse, or Dependent is currently in a course of treatment; or

(iii) Any other similar fundamental loss of coverage.

(C) Addition or Improvement of a Benefit Package Option. If a plan adds a new Benefit Package Option or other

coverage option, or if coverage under an existing Benefit Package Option or other coverage option is significantly improved during a Plan Year, eligible Participants (whether or not they have previously made an election under the Plan or have previously elected the Benefit Package Option) may revoke their election under the Plan and, in lieu thereof, make an election on a prospective basis for coverage under the new or improved Benefit Package Option.

(3) **Change in Coverage Under Another Employer Plan.** A Participant may make a prospective election change that is on account of and corresponds with a change made under another employer plan (including a plan of the Employer or of another employer) if:

(A) The other cafeteria plan or Qualified Benefits Plan permits participants to make an election change that would be permitted under paragraphs (b) through (g) of Treasury Regulation Section 1.125-4 (disregarding Treasury Regulation Section 1.125-4(f)(4)); or

(B) The Plan permits Participants to make an election for a Plan Year that is different from the plan year under the other cafeteria plan or Qualified Benefits Plan.

(4) **Loss of Coverage Under Other Group Health Coverage.** A Participant may make an election on a prospective basis to add coverage under the Plan for the Participant, spouse, or Dependent if the Participant, spouse, or Dependent loses coverage under any group health coverage sponsored by a governmental or educational institution, including the following:

(A) A state's children's health insurance program under Title XXI of the Social Security Act;

(B) A medical care program of an Indian Tribal government, the Indian Health Service, or a tribal organization;

(C) A state health benefits risk pool; or

(D) A foreign government group health plan.

(b) **Change in Status.** A Participant may revoke an election during a Plan Year and make a new election for the remaining portion of the Plan Year if both (1) and (2) below are satisfied.

(1) One of the following change-in-status events occurs:

(A) **Legal Marital Status.** An event that changes a Participant's legal marital status, including marriage, death of spouse, divorce, legal separation, and annulment.

(B) **Number of Dependents.** An event that changes a Participant's number of Dependents, including birth, death, adoption, and placement for adoption (as defined in regulations under Code Section 9801).

(C) **Employment Status.** Any of the following events that change the employment status of the Participant, the Participant's spouse, or the Participant's Dependent: a termination or commencement of employment; a strike or lockout; a commencement of or return from an unpaid leave of absence; and a change in worksite. In addition, if the eligibility conditions of the cafeteria plan or other employee benefit plan of the employer of the Participant, spouse, or Dependent depend on the employment status of that individual and there is a change in that individual's employment status with the consequence that the individual becomes (or ceases to be) eligible under the plan, then that change constitutes a change in employment under this 4.3(b)(1)(C). If a Participant terminates employment and cancels coverage during the period of unemployment, and resumes employment within 30 days (without any other intervening event that would permit a change in election), the Participant's prior election for the Plan Year is automatically reinstated. If a Participant terminates employment and cancels coverage during the period of unemployment, and resumes employment more than 30 days following termination, the Participant may return to the election in effect prior to termination of employment or make a new election under the Plan.

(D) **Dependent Satisfies or Ceases to Satisfy Eligibility Requirements.** An event that causes a Participant's Dependent to satisfy or cease to satisfy the eligibility requirements for coverage due to attainment of age, student status, or any similar circumstance.

(E) **Residence.** A change in the place of residence of the Participant, spouse, or Dependent.

(F) **Nondependent Children.** A change-in-status event described above that affects a Participant's child who is under age 27 and not a Dependent, including becoming newly eligible for coverage or eligible for coverage beyond the date on which the child otherwise would have lost coverage.

This subsection (F) shall be effective on the first day of the first Plan Year beginning after March 30, 2010.

(2) The election change satisfies the following consistency rules:

(A) An election change satisfies the requirements of this 4.3(b)(2) if the election change is on account of and corresponds with a change in status that affects eligibility for coverage under an employer's plan. A change in status that affects eligibility under an employer's plan includes a change in status that results in an increase or decrease in the number of a Participant's family members or Dependents who may benefit from coverage under the plan. An election change also satisfies the requirements of this 4.3(b)(2) if the election change is on account of and corresponds with a change in status that affects expenses described in Code Section 129 (including employment-related expenses as defined in Code Section 21(b)(2)) with respect to dependent care assistance.

(B) If the change in status is the Participant's divorce, annulment, or legal separation from a spouse, the death of a spouse or Dependent, or a Dependent ceasing to satisfy the eligibility requirements for coverage, a Participant's election under the Plan to cancel accident or health insurance coverage for any individual other than the spouse involved in the divorce, annulment, or legal separation, the deceased spouse or Dependent, or the Dependent that ceased to satisfy the eligibility requirements for coverage, respectively, fails to correspond with that change in status. In addition, if a Participant, spouse, or Dependent gains eligibility for coverage under a Family Member Plan as a result of a change in marital status under 4.3(b)(1)(A) or a change in employment status under 4.3(b)(1)(C), a Participant's election under the Plan to cease or decrease coverage for that individual under the Plan corresponds with that change in status only if coverage for that individual becomes applicable or is increased under the Family Member Plan.

(c) **Special Enrollment Rights.** To the extent that the group health plan benefits described in 4.1 are subject to the special enrollment rules provided in Section 2701(f) of the Public Health Service Act, a Participant who is entitled to special enrollment rights may revoke his or her election with respect to coverage under such group health plan during a Plan Year and make a new election that corresponds with the special enrollment rules.

(d) **Judgment, Decree, or Order.** The Plan Administrator may change a Participant's election to provide group health plan coverage for the

Participant's child (or for a foster child who is a Dependent of the Participant) if a judgment, decree, or order resulting from a divorce, legal separation, annulment, or change in legal custody requires accident or health coverage for the child under the Participant's plan. A Participant may change his or her election to cancel group health plan coverage for the child if such an order requires the spouse, former spouse, or other individual to provide coverage for the child, and that coverage is, in fact, provided.

(e) **Entitlement to Medicare or Medicaid.** A Participant may prospectively cancel or reduce the Participant's, spouse's, or Dependent's coverage under an accident or health plan if the Participant, spouse, or Dependent becomes entitled to coverage (i.e., becomes enrolled) under Part A or Part B of Title XVIII of the Social Security Act (Medicare) or Title XIX of the Social Security Act (Medicaid), other than coverage consisting solely of benefits under Section 1928 of the Social Security Act (the program for distribution of pediatric vaccines). In addition, if a Participant, spouse, or Dependent who has been entitled to such coverage under Medicare or Medicaid loses eligibility for such coverage, the Participant may make a prospective election to commence or increase the Participant's, spouse's, or Dependent's coverage under the accident or health plan.

(f) **Family and Medical Leave Act.** A Participant taking leave under the Family and Medical Leave Act ("FMLA") may revoke an existing election of accident or health plan coverage and make such other election for the remaining portion of the Plan Year as may be provided for under the FMLA.

(g) **Cessation of Required Contributions.** Except as otherwise provided in V(4)5.4 with respect to eligible Dependent Care Expenses, a benefit will cease to be provided to a participant **Participant** if the participant **Participant** fails to make the required premium payments with respect to the benefit (e.g., a participant **Participant** ceases to make premium payments for health care reimbursement account coverage after a termination of employment). However, in such a case, the former participant **Participant** may not again make a new benefit election for the remaining portion of the year **Plan Year**.

V. Credits and Reimbursement Procedures.**ARTICLE 5****CREDITS AND REIMBURSEMENT PROCEDURES**

(1) **5.1 Credits to Plan.** The following rules shall govern the compensation **Compensation** reduction credits to this plan **Plan** during a plan year **Plan Year**:

(a) **Establishment of Accounts.** For each participant **Participant**, the plan administrator **Plan Administrator** shall establish a separate account **Account** for each reimbursement benefit under 4.1 for the plan year **Plan Year**.

(b) **Compensation Reduction Credits.** For each participant **Participant**, the amount by which the participant **Participant** elects to reduce his or her compensation **Compensation** for a specific benefit shall be deducted from the participant's compensation **Participant's Compensation** during the plan year **Plan Year** by payroll deduction and credited to the participant's account **Participant's Account** for such benefit or credited against the cost of that benefit as determined by the plan administrator **Plan Administrator**.

(c) **Records of Contributions.** The plan administrator **Plan Administrator** shall maintain appropriate records and shall record the amounts credited for a participant **Participant** for a specified benefit under (b) above in the participant's account **Participant's Account** established for such benefit.

(d) **Allocation of Expense.** An eligible Dependent Care Expense submitted for reimbursement by a participant **Participant** shall be paid only from the account **Account** established for such participant **Participant** for such expense and only to the extent of the amount recorded in the account **Account** (after deducting earlier reimbursements made during the plan year **Plan Year**). The maximum amount of Health Care Expense reimbursement under Article 9 must be available at all times during the plan year **Plan Year** (properly reduced as of any particular time for prior reimbursements for the same plan year **Plan Year**). Thus, the maximum amount of Health Care Expense reimbursement at any particular time during the plan year **Plan Year** cannot be limited to the amount recorded in the account **Account** at that time. Reimbursement will be deemed to be available at all times if it is paid at least monthly or when the total amount of the claims to be submitted is at least a specified, reasonable minimum amount (e.g., \$50).

(e) **Unused Amounts.** An amount remaining in an account **Account** after the participant **Participant** has submitted all reimbursable expenses for the plan year **Plan Year** of the type for which the account **Account** is established,

shall not be carried over to a subsequent plan year Plan Year, nor shall such amount be paid, directly or indirectly, to the participant Participant in cash or in the form of any other benefit.

(2) 5.2 Reimbursement Payment Procedures. The following rules shall govern the reimbursement of a participant Participant's eligible expenses under a reimbursement benefit:

(a) Reimbursement Request. The participant Participant shall submit a written request for reimbursement on the form or forms provided by the plan administrator Plan Administrator. Requests for reimbursement shall be made at such time or times as specified by the plan administrator Plan Administrator; however, eligible expenses incurred during a plan year Plan Year must be submitted for reimbursement not later than three months after the close of the plan year Plan Year. Eligible expenses that are not submitted on a timely basis in accordance with this paragraph 5.2(a) shall not be reimbursed.

(b) Documentation. A participant A Participant's written request for reimbursement shall establish that the expense was incurred during the applicable time period, and must state that the amount has not been reimbursed and is not reimbursable under any other health plan or dependent care plan, and that the amount will not be used in connection with a deduction or credit on the participant Participant's federal income tax return. No advance reimbursement may be made of future or projected expenses. The written request must be accompanied with a written statement from an independent third party stating that the expense has been incurred and the amount of such expense.

(c) Payment. A participant A Participant's request for reimbursement, when approved by the plan administrator Plan Administrator, shall be paid as soon as reasonably practicable following such approval. Payments shall only be made in reimbursement to a participant Participant and shall not be made directly to a service provider. Except as provided in 5.1(d), reimbursements to a participant Participant shall not exceed the amount available in the participant's account Participant's Account for the type of expense for which reimbursement is requested.

(3) 5.3 Amount of Elective Contributions. The maximum benefits that any Participant may receive from this Plan for a Plan Year shall be the annual amount of the Participant's share of the cost of the District-provided group health plan premiums for the Premium Payment Benefit, plus \$8,000. 20,000. The minimum amount of elective contributions that may be elected by any participant Participant shall be \$20 per month.

Notwithstanding the foregoing, effective January 1, 2013, the maximum amount of salary reduction contributions available to any Participant under this Plan for a Plan Year for the health care reimbursement account program shall equal \$2,500 (plus cost-of-living adjustments permitted under applicable law).

(4) 5.4 Expense Reimbursement After Participation Terminates. If, during a plan year, a participant Plan Year, a Participant terminates employment, transfers to an

ineligible class of employees, or ceases to make required contributions, he or she may nevertheless submit eligible Dependent Care Expenses incurred during the remainder of that plan year **Plan Year** to the plan administrator **Plan Administrator** for reimbursement under the dependent care reimbursement account program.

If a participant **Participant** terminates employment with the district **District** or transfers to an ineligible class of employees and revokes his/ or her existing benefit elections, the plan administrator **Plan Administrator** shall reimburse the participant **Participant** for any amount previously paid for coverage or benefits under the health care reimbursement program relating to the period after the termination or transfer.

5.5 Qualified Reservist Distributions. Notwithstanding any other Plan provision to the contrary, a Participant may request a qualified reservist distribution from the Participant's health care reimbursement account.

(a) **Definition of Qualified Reservist Distribution.** A qualified reservist distribution is a distribution to a Participant of all or a portion of the balance in the Participant's health care reimbursement account if: (1) the Participant is a qualified reservist as defined in (b) below, and (2) the request for a distribution is made during the period specified in (e) below.

(b) **Distribution of Qualified Reservist.** A qualified reservist is a Participant who is, by reason of being a member of a reserve component (as defined in 37 U.S.C. § 101), ordered or called to active duty for a period of 180 days or more or for an indefinite period. The Plan Administrator may rely on the order or call to determine the period of active duty. If the order or call specifies that the period is for 180 days or more or is indefinite, the Participant is a qualified reservist, even if the actual period of active duty is less than 180 days or is otherwise changed. If the period of active duty specified in the order or call is less than 180 days, the Participant is not a qualified reservist unless subsequent calls or orders increase the total period of active duty to 180 days or more.

(c) **Amount Available.** The amount available as a qualified reservist distribution is the amount contributed to the Participant's health care reimbursement account as of the date of the request for distribution minus reimbursements received from the account as of the date of the request.

(d) **Procedures.** A Participant must make a written request to the Plan Administrator to receive a qualified reservist distribution. The Plan Administrator must receive a copy of the order or call to active duty before a distribution can be made. Only one qualified reservist distribution is permitted with respect to a Participant during a Plan Year. A Participant may submit requests for reimbursement for medical expenses incurred before the date of the request for a qualified reservist distribution and such reimbursements will be paid in accordance with Article 5 (taking into account the amount of the qualified reservist distribution as a

reimbursement). A Participant may not submit requests for reimbursement for medical expenses incurred on or after the date of the request for distribution.

(e) Timing of Requests and Distributions. A request for a qualified reservist distribution must be made on or after the date of the order or call to active duty and before the last day of the Plan Year during which the order or call to active duty occurred. The health care reimbursement account program shall pay the qualified reservist distribution to the Participant within a reasonable time, but not more than 60 days after the date of the request for a distribution. A qualified reservist distribution may not be made with respect to a Plan Year ending before the order or call to active duty.

VI. Claims Procedure**ARTICLE 6****CLAIMS PROCEDURE**

~~(1)~~**6.1 Initial Claim.** Any person claiming a ~~a premium payment~~ benefit under this plan ("claimant") shall present the claim in writing to the plan administrator. ~~Plan shall present the claim in writing to the Plan Administrator. Any person claiming a dependent care expense reimbursement benefit or a health care expense reimbursement benefit under this Plan shall present the claim in writing to the entity that administers those benefits ("Claim Reviewer"). For purposes of this article, the person claiming a benefit (or his or her authorized representative) shall be referred to as the "Claimant."~~

~~(2)~~**6.2 Decision on Initial Claim.**

(a) **Time Period for Denial Notice.** A decision shall be made on the claim as soon as practicable and shall be communicated in writing by the plan administrator ~~Plan Administrator or Claim Reviewer~~ to the claimant ~~Claimant~~ within a reasonable period after receipt of the claim by the plan administrator ~~Plan Administrator or Claim Reviewer~~.

(b) **Contents of Notice.** If the claim is wholly or ~~pay~~ partially denied, the notice of denial shall indicate:

~~(A)~~ The specific reasons for the denial;

~~(B)~~ The specific references to pertinent plan ~~Plan~~ provisions on which the denial is based;

~~(C)~~ A description of ~~an~~ additional material or information necessary for the claimant ~~Claimant~~ to perfect the claim and an explanation of why such material or information is necessary; and

~~(D)~~ An explanation of the plan ~~Plan~~'s claim review procedure.

~~(3)~~**6.3 Review of Denied Claim.** If a claimant ~~Claimant~~ receives a notice of denial, the claimant ~~Claimant~~ may request a review of the claim. The request for review is made by personally delivering or mailing a written request for review, prepared by either the claimant ~~Claimant~~ or his or her authorized representative, to the plan administrator. ~~The claimant Plan Administrator. The Claimant's~~ request for review must be made within 60 days after receipt of the notice of denial. If the written request for review is not made on a timely basis, the claimant ~~Claimant~~ shall be deemed to waive his or her right to review. The claimant ~~Claimant~~ or his or her duly authorized representative may, at or after the time of making the request, review all pertinent documents and submit issues and comments in writing.

~~If a Claimant requests a review of a claim under the health care reimbursement account program, only the employee described in 9.7(b)(3) may review~~

denied claims. Such employee shall act on behalf of the Plan Administrator in reviewing and deciding denied claims.

(4) **6.4 Decision on Review.** A review shall be made by the plan administrator **Plan Administrator** after receipt of a timely filed request for review. A decision on review shall be made and furnished in writing to the claimant **Claimant**. The decision shall be made within a reasonable period of time after receipt of the request for review. The written decision shall include the reasons for such decision with reference to the provisions of the plan **Plan** upon which the decision is based. The decision shall be final and binding upon the claimant and **Claimant**, the district **District**, and all other persons involved.

6.5 Further Review. The scope of any subsequent review of the benefit claim, judicial or otherwise, shall be limited to a determination as to whether the plan administrator **Plan Administrator** acted arbitrarily or capriciously in the exercise of its discretion. In no event shall any such further review be on a de novo basis as the plan administrator **Plan Administrator** has discretionary authority to determine eligibility for benefits and to construe the terms of this plan **Plan**.

VII. Plan Administration:

ARTICLE 7

PLAN ADMINISTRATION

(1) **7.1 Appointment of Plan Administrator.** The district ~~District~~ shall appoint one or more persons to act as the plan administrator ~~Plan Administrator~~ and to serve for such terms as the district ~~District~~ may designate or until a successor has been appointed or until removed by the district ~~District~~. Vacancies due to resignation, death, removal or other causes shall be filled by the district ~~District~~. The plan administrator ~~Plan Administrator~~ shall be bonded except as may otherwise be allowed by law. The plan administrator ~~Plan Administrator~~ may be paid reasonable compensation for its service; however, a plan administrator ~~Plan Administrator~~ who is a full-time employee of the district ~~District~~ shall serve without compensation. All reasonable expenses of the plan administrator ~~Plan Administrator~~ shall be paid by the district ~~District~~. If a designation of a plan administrator ~~Plan Administrator~~ is not made, the district ~~District~~ shall be the plan administrator ~~Plan Administrator~~.

(2) **7.2 Rights and Duties.** The plan administrator ~~Plan Administrator~~ shall be the named fiduciary of the plan ~~Plan~~. The plan administrator ~~Plan Administrator~~, on behalf of the participants ~~Participants~~ and their beneficiaries, shall have the authority to control and manage the operation and administration of the plan ~~Plan~~ and shall have all powers necessary to accomplish those purposes. The responsibility and authority of the plan administrator ~~Plan Administrator~~ shall include, but shall not be limited to, the following:

- (a) Determining all questions relating to the eligibility of employees to participate;
- (b) Computing and certifying the amount and kind of benefits payable to participants ~~Participants~~, spouses, and dependents;
- (c) Authorizing all disbursements;
- (d) Maintaining all necessary records for the administration of the plan ~~Plan~~ other than those that the district ~~District~~ has specifically agreed to maintain;
- (e) Interpreting the provisions of the plan ~~Plan~~ and publishing such rules for the regulation of the plan ~~Plan~~ as are deemed necessary and not inconsistent with the terms of the plan ~~Plan~~; and
- (f) Directing the district ~~District~~ to make payments to participants ~~Participants~~, former participants ~~Participants~~, spouses, and dependents in accordance with the provisions of the plan ~~Plan~~.

(3) **7.3 Information, Reporting, and Disclosure.** To enable the plan administrator ~~Plan Administrator~~ to perform its functions, the district ~~District~~ shall supply full and timely information to the plan administrator ~~Plan Administrator~~ on all matters

relating to the ~~participants~~**Participants** and such other pertinent facts as the ~~plan administrator~~**Plan Administrator** may require. The ~~plan administrator~~**Plan Administrator** shall have the responsibility of complying with the reporting and disclosure requirements of applicable law.

(4)**7.4 Independent Qualified Accountant.** If required by applicable law or regulation, the ~~plan administrator~~**Plan Administrator** shall engage, on behalf of all ~~plan participants~~**Plan Participants**, an independent qualified public accountant who shall conduct such examinations of the financial statements of the ~~plan~~**Plan** and of other books and records of the ~~plan~~**Plan** as the accountant may deem necessary to enable the accountant to form an opinion as to whether the financial statements and schedules required by law to be included in any reports are presented fairly and in conformity with generally accepted accounting principles.

(5)**7.5 Allocation and Delegation of Responsibility.** The ~~plan administrator~~**Plan Administrator** may allocate fiduciary responsibilities to one or more persons and may delegate to such persons the authority to carry out fiduciary responsibilities under the ~~plan~~**Plan**.

The ~~plan administrator~~**Plan Administrator**, in making the above allocation of fiduciary responsibilities, may provide that a person or group of persons may serve, with respect to the ~~plan~~**Plan**, in more than one fiduciary capacity.

The ~~plan administrator~~**Plan Administrator** or persons to whom fiduciary responsibilities have been delegated by the ~~plan administrator~~**Plan Administrator** may employ one or more persons to render advice with regard to any responsibility such fiduciary has under the ~~plan~~**Plan**.

In the event a fiduciary responsibility is allocated to a person, no other person shall be liable for any act or omission of the person to whom the responsibility is allocated except as may be otherwise required by law. If a fiduciary responsibility is delegated to a person other than the ~~plan administrator~~, the ~~plan administrator~~**Plan Administrator**, the ~~Plan Administrator~~ shall not be responsible or liable for an act or omission of such person in carrying out such responsibility except as may otherwise be required by law.

(6)**7.6 Indemnification.** The ~~district~~**District** hereby indemnifies and holds harmless the ~~plan administrator~~**Plan Administrator** and each person to whom a fiduciary responsibility is allocated from any loss, claim, or suit arising out of the performance of obligations imposed hereunder and not arising from the ~~plan administrator~~**Plan Administrator**'s or the person's willful neglect, misconduct, or gross negligence.

VIII. Miscellaneous:**ARTICLE 8****MISCELLANEOUS**

(1)**8.1 Right to Amend and Terminate.** The district **District** represents that the plan **Plan** is intended to be a continuing program for participants **Participants** but reserves the right to terminate the plan **Plan** at any time. The district **District** may modify, alter, or amend this plan **Plan** in whole or in part.

(2)**8.2 Unsecured Right to Payment.** No employee shall be by virtue of this plan **Plan** have any interest in any specific asset or assets of the district **District**. An employee has only an unsecured contract right to receive benefits in accordance with the provisions of the plan **Plan**.

(3)**8.3 No Obligation to Fund.** The district **District** shall have no obligation to establish a trust or fund for the payment of benefits or to ensure **insure** any of the benefits.

(4)**8.4 No Interest.** The district **District** shall have no obligation to pay interest on any participant **Participant**'s salary reduction amounts or accounts **Accounts** used to provide the benefits under this plan **Plan**.

(5)**8.5 Provision Against Anticipation.** No participant **Participant** shall have the right or power to alienate, anticipate, commute, pledge, encumber, or assign any of the benefits or proceeds recorded for the participant **Participant** under the terms of this plan **Plan**, and no such benefits or proceeds shall be subject to seizure by any creditor of the participant **Participant** under any writ or proceedings at law or in equity.

(6)**8.6 Right to Discharge Employees.** Neither the established **establishment** of this plan **Plan**, nor any modification thereof, nor the payment of any benefit, shall be construed as giving any participant **Participant** or any other person any legal or equitable right against the district **District** unless the same shall be specifically provided for in this plan **Plan**, nor as giving any employee or participant **Participant** the right to be retained in the district **District**'s employ. All employees shall remain subject to discharge by the district **District** to the same extent as if this plan **Plan** had never been adopted.

(7)**8.7 Construction.** This plan **Plan** shall be construed in accordance with applicable federal law and regulations issued thereunder and, to the extent applicable, the laws of the state of Oregon.

(8)**8.8 Legally Enforceable.** The district **District** intends that the plan **Plan** terms, including those relating to coverage and benefits, are legally enforceable. The plan **Plan** is maintained for the exclusive benefit of employees.

IX. ~~Health Care Reimbursement Account Program:~~**ARTICLE 9****HEALTH CARE REIMBURSEMENT ACCOUNT PROGRAM**

(1)**9.1 General.** This Article ~~article~~ is intended to qualify as an accident and health plan within the meaning of Code Section 106. It is intended that reimbursements under this program be eligible for exclusion from the gross income of ~~participants~~ **Participants** under Code Section 105(b). Accordingly, this program shall be interpreted and construed in accordance with Code Sections 106 and 105(e) and any regulations or other interpretations thereunder. This program represents one benefit that may be elected by ~~participants~~ **Participants** under the Portland Public Schools Cafeteria Plan, and a ~~participant~~ **Participant** under that plan ~~Plan~~ who elects the Health Care Expense Reimbursement Benefit thereunder is deemed to be a ~~participant~~ **Participant** under this health care reimbursement account program.

(2)**9.2 Amount of Coverage.** For each ~~plan year~~ **Plan Year**, a ~~Participant~~ **Participant** may elect any whole dollar amount of coverage under this health care reimbursement account program up to \$3,000.

~~Notwithstanding the foregoing, effective for Plan Years beginning on and after January 1, 2013, the maximum amount of coverage that may be elected as a salary reduction contribution under this health care reimbursement account program for a Plan Year is limited to \$2,500 (plus cost-of-living adjustments permitted under applicable law).~~

(3)**9.3 Health Care Expenses.** Each ~~participant~~ **Participant** under this health care reimbursement account program will be entitled to receive for each ~~plan year~~ **Plan Year** reimbursements of Health Care Expenses that are incurred during the ~~plan year~~ **Plan Year** and that are not paid or reimbursed by insurance or otherwise, up to the dollar amount of coverage elected by the ~~participant~~ **Participant** for that ~~plan year~~ **Plan Year**.

There will be no reimbursement for premiums paid by a ~~participant~~ **Participant** for health insurance. For example, there will not be any reimbursement for premiums paid for other health plan coverage, including premiums paid for health coverage under a plan maintained by the employer of the ~~participant's spouse or dependent~~ **Participant's spouse or Dependent**.

~~Health Care Expenses incurred after December 31, 2010, for medicines or drugs may be reimbursed under this health care reimbursement account program only if the medicine or drug (a) requires a prescription, (b) is available without a prescription (i.e., an over-the-counter medicine or drug) and the individual obtains a prescription, or (c) is insulin.~~

The coverage elected for a ~~plan year~~ **Plan Year** is available only to reimburse expenses that are incurred during the ~~plan year~~ **Plan Year**. An expense shall be treated as having been incurred ~~during~~ **when** the medical, dental, or vision care that gives rise to the

expense is provided or at the time the equipment, supplies, or drugs that give rise to the expense are purchased, and not when the participant ~~Participant~~ is formally billed, charged for, or pays for the expense.

~~(4)~~**9.4 Administration.** The plan administrator of this health care reimbursement account program shall be the same as for the Portland Public Schools Cafeteria Plan. The procedures for making and reviewing claims, plan administration, elections and revocation of elections, and reimbursement requests and payments, shall be as set forth in the Portland Public Schools Cafeteria Plan.

~~(5)~~**9.5 Continuation Coverage.** To the extent that this health care reimbursement account program is a group health plan, it is subject to the continuation coverage requirements under the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended ("COBRA"), as presently set forth in Sections 2201 through 2208 of the Public Health Service Act. Accordingly, this program shall be construed in accordance with COBRA and the applicable regulations ~~there under~~ **thereunder**.

9.6 Military Service.

(a) General. The health care reimbursement account program shall comply with the Uniformed Services Employment and Reemployment Rights Act of 1994 ("USERRA"). The USERRA provisions contained in 38 USC Section 4301 et seq are incorporated by reference.

(b) Qualifying Reemployment. If a Participant is absent from employment due to service in the uniformed services as defined in 38 USC Section 4301(13) ("military service"), the Participant is entitled to reemployment rights and benefits if the following conditions are satisfied ("qualifying reemployment"):

(1) The Participant, or an appropriate officer of the uniformed service, must provide advance written or oral notice of the military service to the District. Notice is not required if it is precluded by military necessity or is otherwise impossible or unreasonable as described in 20 CFR Section 1002.86.

(2) The Participant's military absence from the District must be for a cumulative period of less than five years. The Participant may be absent from employment for more than five years if the longer period of time is necessary to complete an initial period of obligated service or a Participant is ordered to or retained on active duty as described in 38 USC Section 4312(c) and 20 CFR Section 1002.103.

(3) The Participant must report to, or apply for reemployment with, the District within a certain number of days after the completion of military service. The period in which to report to the District or apply for reemployment is determined by reference to the period of military service as follows:

(A) If the period of military service is less than 31 days, or if the absence from employment is for the purposes of an examination to determine the Participant's fitness for military service, the Participant must report to the District not later than the first work day following completion of the military service and the expiration of eight hours after a period allowing for safe transportation to the Participant's residence.

(B) If the period of military service is for more than 30 days but less than 181 days, the Participant must submit an application for reemployment (written or oral) not later than 14 days after completion of the military service.

(C) If the period of military service is for more than 180 days, the Participant must submit an application for reemployment (written or oral) not later than 90 days after completion of military service.

(D) If the Participant is hospitalized for, or convalescing from, an illness or injury incurred in, or aggravated during, military service, the Participant shall report to the District or submit an application for reemployment at the end of the recovery period. The recovery period may not exceed two years.

The foregoing periods may be extended pursuant to 38 USC Section 4312(e) and 20 CFR Sections 1002.115-1002.117 if reporting to the District or applying for reemployment is impossible or unreasonable through no fault of the Participant.

(4) The Participant did not receive a type of discharge or separation from service described in 38 USC Section 4304 and 20 CFR Section 1002.135.

(5) If the military service exceeds 30 days, the Participant must provide, upon the District's request, documentation to establish that the requirements of 9.6(b)(2), (3), and (4) above are satisfied. This 9.6(b)(5) shall not apply if such documentation does not exist or is not readily available.

(c) Continuation of Coverage.

(1) **Election of Continuation Coverage.** If a Participant is absent from employment due to military service, the Participant may elect to continue the Participant's and any Dependent's coverage.

This paragraph shall be effective January 18, 2006. Coverage shall terminate on the date described in 3.2 and shall be retroactively reinstated if the Participant elects to continue coverage and pays all premiums due within

the periods described below. To the extent consistent with USERRA, an election to continue coverage must be made in the same manner and time periods applicable to an election of COBRA coverage. Notwithstanding the foregoing, if the Participant does not provide advance notice of the military service because it is precluded by military necessity or is otherwise impossible or unreasonable, the election of USERRA continuation coverage must be made within 60 days after the date it becomes possible and reasonable to make the election or, if later, by the end of the COBRA election period. Notwithstanding the foregoing, if the Participant leaves employment without giving advance notice of the military service (which is not excused as described above), the Participant shall have no right to elect USERRA continuation coverage.

(2) Duration of Continuation Coverage. The maximum period of coverage shall be the lesser of:

(A) The 24-month period (18-month period with respect to elections made before December 10, 2004) beginning on the date on which the Participant's absence begins; or

(B) The period beginning on the date on which the Participant's absence begins and ending on the day after the date on which the Participant fails to report or apply for reemployment as described in 9.6(b)(3).

(3) Premiums. A Participant who elects to continue coverage may be required to pay not more than 102 percent of the full premium, except that a Participant who performs military service for less than 31 days may not be required to pay more than the employee share for the coverage.

This paragraph shall be effective January 18, 2006. To the extent consistent with USERRA, premiums are due on the due dates applicable to premiums for COBRA coverage. Notwithstanding the foregoing, if it is precluded by military necessity or is otherwise impossible or unreasonable for a Participant to pay a premium by the due date, such Participant must pay the premium within 30 days after the date it becomes possible and reasonable for him or her to do so.

(4) Termination of Continuation Coverage. This paragraph shall be effective January 18, 2006. To the extent consistent with USERRA, USERRA continuation coverage shall be terminated if premiums are not paid by the due date described in 9.6(c)(3) or if a Participant receives a type of discharge or separation from service described in 38 USC Section 4304 and 20 CFR Section 1002.135.

(d) Reinstatement of Coverage. If a Participant's or Dependent's coverage terminates due to the Participant's military service, the coverage shall be

reinstated upon qualifying reemployment. An exclusion or waiting period shall not be imposed on the Participant or any Dependents in connection with the reinstatement of coverage upon qualifying reemployment if an exclusion or waiting period would not have been imposed had the coverage not been terminated due to military service. The preceding sentence shall not apply to the coverage of any illness or injury determined by the Secretary of Veterans Affairs or his or her representative to have been incurred in, or aggravated during, military service.

9.7 Protected Health Information.

(a) **Hybrid Entity.** The Plan is a hybrid entity within the meaning of 45 CFR Section 164.103. The health care reimbursement account program is the health care component of the Plan. As provided in 45 CFR Section 164.105(a), the privacy rules under the Health Insurance Portability and Accountability Act of 1996 ("HIPAA") apply only to the health care component of the Plan. The health care component shall not disclose protected health information, as defined in 45 CFR Section 164.103 ("PHI") to a non-health care component of the Plan in circumstances in which the HIPAA privacy rules would prohibit such disclosure if the health care component and the other component were separate legal entities.

(b) **Disclosure of Protected Health Information to the District.**

(1) **Permitted and Required Uses and Disclosures of Protected Health Information.**

(A) **Plan Administration Functions.** Subject to the conditions of disclosure described in 9.7(b)(2), (3), and (4), the health care reimbursement account program, or the program's business associate, may disclose PHI to the District for plan administration functions. Plan administration functions means administration functions performed by the District on behalf of the program, such as quality assurance, claims processing, auditing, and monitoring. Plan administration functions are limited to activities that would meet the definition of payment or health care operations, as defined in 45 CFR Section 164.501, but do not include functions to modify, amend, or terminate the program or solicit bids from prospective issuers. Plan administration functions do not include any employment-related functions or functions in connection with any other benefits or benefit plans. These permitted and required uses and disclosures may not be inconsistent with 45 CFR Part 164, Subparts C and E.

(B) **Enrollment and Disenrollment Information.** The program, or the program's business associate, may disclose to the District information on whether the individual is participating in the program. Such disclosure is not subject to 9.7(b)(2), (3), and (4).

(C) **Summary Health Information.** The program, or the program's business associate, may disclose summary health information, as defined in 45 CFR Section 164.504(a), to the District, provided the District requests the summary health information for the purpose of modifying, amending, or terminating the program. Such disclosure is not subject to 9.7(b)(2), (3), and (4).

(2) **Conditions of Disclosure for Plan Administration Functions.** Disclosure of PHI to the District under 9.7(b)(1)(A) is permitted only upon receipt of a certification from the District that the Plan has been amended and the District has agreed to the following conditions regarding the use and disclosure of PHI. The District will:

(A) Not use or further disclose PHI other than as permitted or required by the program or as required by law;

(B) Ensure that any subcontractors or agents to whom the District provides PHI received from the program agree to the same restrictions and conditions that apply to the District with respect to such information;

(C) Not use or disclose PHI for employment-related actions and decisions or in connection with any other benefit or employee benefit plan of the District;

(D) Report to the program any use or disclosure of PHI that is inconsistent with the uses and disclosures provided for in the program or under HIPAA, of which it becomes aware;

(E) Make available PHI to comply with HIPAA's right to access in accordance with 45 CFR Section 164.524;

(F) Make available PHI for amendment and incorporate any amendments to PHI in accordance with 45 CFR Section 164.526;

(G) Make available the information required to provide an accounting of disclosures in accordance with 45 CFR Section 164.528;

(H) Make its internal practices, books, and records relating to the use and disclosure of PHI received from the program available to the Secretary of the Department of Health and Human Services ("DHHS"), or any other officer or employee of DHHS to whom such authority has been delegated, for purposes of determining compliance by the program with 45 CFR, Part 164, Subpart E;

(I) If feasible, return or destroy all PHI received from the program that the District still maintains in any form and retain no copies of such information when no longer needed for the purpose for which disclosure was made, except that, if such return or destruction is not feasible, limit further uses and disclosures to those purposes that make the return or destruction of the information infeasible; and

(J) Ensure that adequate separation between the program and the District, as required in 45 CFR Section 164.504(f)(2)(iii), has been established.

(3) Adequate Separation Between the Program and the District. The District's Benefits Manager will have access to PHI under 9.7(b)(1)(A). The Benefits Manager shall only have access to and use of PHI to the extent necessary to perform the plan administration functions that the District performs for the program.

In the event that the Benefits Manager uses or discloses PHI in a way prohibited by the program or HIPAA, the District shall impose sanctions to ensure that no further non-compliance occurs. Such sanctions may include an oral warning, a written warning, time off without pay, or termination of employment. The District shall determine the appropriate sanction based on the severity of the violation.

(4) Conditions of Disclosure of Electronic Protected Health Information. The provisions of this 9.7(b)(4) shall be effective April 20, 2006. Disclosure of electronic PHI, as defined in 45 CFR Section 160.103, to the District under 9.7(b)(1)(A) is permitted if the following rules are satisfied. The District will reasonably and appropriately safeguard electronic PHI created, received, maintained, or transmitted to or by the District on behalf of the program. The District will:

(A) Implement administrative, physical, and technical safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of the electronic PHI that it creates, receives, maintains, or transmits on behalf of the program;

(B) Ensure that any agent, including a subcontractor, to whom it provides such electronic PHI agrees to implement reasonable and appropriate security measures to protect the information;

(C) Ensure that the adequate separation required by 45 CFR Section 164.504(f)(2)(iii) and 9.7(b)(3) is supported by reasonable and appropriate security measures; and

(D) Report to the program any security incident of which it becomes aware.

9.8 Rescissions. This health care reimbursement account program will not rescind an individual's coverage under the program unless the individual (or a person seeking coverage on his or her behalf) performs an act, practice, or omission that constitutes fraud or makes an intentional misrepresentation of material fact, both of which are prohibited by the program. A rescission is as defined in 45 CFR § 147.128 or subsequent guidance. To the extent consistent with such guidance, a rescission is a cancellation or discontinuance of coverage that has retroactive effect (other than one due to a failure to timely pay required contributions). The program must provide at least 30 days advance written notice to each affected individual before coverage may be rescinded.

A Participant is prohibited from submitting for reimbursement an expense incurred by an individual other than the individuals described in 2.10. By submitting an expense for reimbursement, the Participant is making a representation that the expense is a Health Care Expense under 2.10. Whether an expense was incurred by an individual described in 2.10 is a material fact. The coverage of an individual who is not described in 2.10 may be rescinded if the requirements of this section are satisfied.

~~X. Dependent Care Account Program.~~ARTICLE 10DEPENDENT CARE REIMBURSEMENT ACCOUNT PROGRAM

~~(1)10.1~~ Separate Program. This Article ~~article~~ is intended to qualify as a separate written dependent care ~~assistance~~ assistance program within the meaning of Code Section 129. It is intended that reimbursements under this program be eligible for exclusion from the gross income of ~~participants~~ Participants under Code Section 129(a). Accordingly, this program shall be interpreted and construed in accordance with Code Section 129 and any regulations or other interpretations ~~there under.~~ thereunder. To the extent that the requirements for such exclusion change under applicable federal law, the limitations and other rules set forth in this article shall automatically change to be consistent with such law.

This program represents one benefit that may be elected by ~~participants~~ Participants under the Portland Public Schools Cafeteria Plan, and a ~~participant~~ Participant under that ~~plan~~ Plan who elects the Dependent Care Reimbursement Benefit ~~there under.~~ thereunder is deemed to be a ~~participant~~ Participant under this dependent care reimbursement account program, provided the ~~participant~~ Participant has one or more qualifying individuals at the time an election is permitted under the Portland Public Schools Cafeteria Plan. A "qualifying individual" means: (a) a dependent of the ~~participant~~ Participant (as defined in Code Section 152(a)(1)) who is under age ~~13 and with respect to whom the participant is entitled to a deduction under Code Section 151(e);~~ 13, or (b) a dependent (as defined in Code Section 21(b)(1)(B)) or the spouse of the ~~participant~~ Participant, if the dependent or spouse is physically or mentally incapable of self-care ~~care and has the same principal place of abode as the Participant for more than one-half of the taxable year. An individual shall not be treated as having the same principal place of abode as the Participant if at any time during the taxable year the relationship between the individual and the Participant is in violation of local law.~~

~~(2)10.2~~ Nondiscrimination Requirements. The contributions and benefits provided under this program shall not discriminate in favor of highly compensated employees (as defined in Code Section 414(q)) or their dependents. The average benefits provided under all dependent care assistance programs of the ~~district~~ District to ~~non-highly~~ nonhighly compensated employees must be at least 55 percent of the average benefits provided to highly compensated employees under all such programs.

~~(3)10.3~~ Limitations. The amount of coverage that may be elected under this dependent care reimbursement account program for a ~~plan year~~ Plan Year is limited to \$5,000 (the limit is \$2,500 for a married ~~participant~~ Participant who files a separate federal income tax return for the ~~plan year~~ Plan Year); provided, however, that the coverage for an unmarried ~~participant~~ Participant shall not exceed the ~~participant~~ Participant's earned income for the ~~plan year~~ Plan Year, and the coverage for a married ~~participant~~ Participant shall not exceed the lesser of the ~~participant~~ Participant's earned income or the spouse's earned income for the ~~plan year.~~ Plan Year. "Earned income" means wages, salaries, tips, and other employee compensation, but only if such amounts are includible in gross income for the taxable year, plus the amount of net earnings from self-employment: for the taxable year.

Earned income shall be computed without regard to any community property laws. Amounts received from pensions and annuities are not included. Amounts to which Code Section 871(a) applies are not included. Earned income shall not include any amounts paid or incurred by any employer for the participant ~~Participant~~ under this or any other dependent care assistance program. The earned income of a participant ~~Participant~~'s spouse for any month during which the spouse is a full-time student at an educational institution described in Code Section 170(b)(1)(A)(ii) or is physically or mentally incapable of self-care shall be deemed to be not less than \$200250 (if the participant ~~Participant~~ has one qualifying individual for the plan year ~~Plan Year~~), or \$400500 (if the participant ~~Participant~~ has two or more qualifying individuals for the plan year ~~Plan Year~~). A full-time student is an individual who is enrolled at and attends the educational institution during each of five calendar months of the individual's taxable year for the number of course hours that is considered to be a full-time course of study. The enrollment for five calendar months need not be consecutive. School attendance exclusively at night does not constitute a full-time course of study. However, a full-time course of study may include some attendance at night.

~~(4)~~10.4 **Dependent Care Expenses.** Dependent Care Expenses mean expenses for household services and expenses for the care of a qualifying individual, but only if the expenses are incurred to enable the participant ~~Participant~~ to be employed by the district ~~District~~ for a period during which the participant ~~Participant~~ has a qualifying individual. Expenses for services outside the participant ~~Participant~~'s household will qualify only if the expenses are for the care of a dependent (as defined in Code Section 152(a)(1)) who is under age 13 and with respect to whom the participant is entitled to a personal income tax exemption under Code Section 151(e), 13, or for the care of a qualifying individual who regularly spends at least eight hours each day in the participant ~~Participant~~'s household. If the outside services are provided by a dependent care center as defined in Code Section 21(b)(2)(D), the expense will qualify only if the dependent care center complies with all applicable laws and regulations of the applicable state or unit of local government. Dependent Care Expenses do not include expenses for services performed by an individual for whom a personal income tax exemption is allowable either to the participant ~~Participant~~ or the spouse, or expenses for services of a son, stepson, daughter or stepdaughter, or eligible foster child (as defined in Code Section 152(f)(1)(C)) of the Participant who has not attained age 19 at the close of the plan year taxable year. For purposes of the preceding sentence, a Participant's child shall include a Participant's legally adopted child and a child placed with the Participant for adoption.

~~(5)~~10.5 **Administration.** The plan administrator of this dependent care reimbursement account program shall be the same as for the Portland Public Schools Cafeteria Plan. The procedures for making and reviewing claims, plan administration, elections and revocation of elections, and reimbursement requests and payments, shall be as set forth in the Portland Public Schools Cafeteria Plan.

**EXHIBIT A
PORTLAND PUBLIC SCHOOLS
CAFETERIA PLAN**

**Plan Years
(Referent Section 2.14)**

The Plan Years of the separate premium payment benefits are as follows:

FEBRUARY 1 – JANUARY 31 PLAN YEAR

ATU/DCU/PFTCE

Full-Time and Part-Time Option 1 Employees:

- Kaiser
- Providence Personal Option Plan
- Providence Point of Service
- Trust Dental Plan
- Providence Vision
- Kaiser Vision
- VSP Vision
- Walgreens Prescription Mail Service
- Postal Prescriptions Mail Service
- Wellpartners Prescription Mail Service
- Providence Pharmacy Plan
- Kaiser Mail Service Pharmacy
- Caremark Mail Service Pharmacy
- Caremark Pharmacy Plan

Part-Time Option 2 Employees:

- Kaiser
- Providence Open Option Plan
- Providence Personal Option Plan
- Walgreens Prescription Mail Service
- Postal Prescriptions Mail Service
- Wellpartners Prescription Mail Service
- Providence Pharmacy Plan
- Kaiser Mail Service Pharmacy
- Caremark Mail Service Pharmacy
- Caremark Pharmacy Plan

PAT**Full-Time and Part-Time Option 1 Employees:**

- Kaiser
- Trust Preferred Provider Plan
- Providence Personal Option Plan
- Trust Dental Plan
- Kaiser Pharmacy Plan
- Providence Pharmacy Plan
- Caremark Pharmacy Plan
- Caremark Mail Service Pharmacy
- Kaiser Mail Service Pharmacy
- Providence Mail Service Pharmacy
- Trust Vision Plan
- Kaiser Vision Plan
- Trust Vision Plan

Part-Time Option 2 Employees:

- Kaiser
- Trust Indemnity Plan
- Providence Personal Option Plan
- Caremark Prescription Plan
- Caremark Mail Service Pharmacy
- Kaiser Pharmacy Plan
- Kaiser Mail Service Pharmacy

OCTOBER 1 – SEPTEMBER 30 PLAN YEAR**NON REPRESENTED AND SEIU EMPLOYEES****Full-Time and Part-Time Employees:**

- OEBB – ODS Medical Plan 6 PPO
- OEBB – ODS Medical Plan 7 PPO
- OEBB – ODS Medical Plan 9 – High Deductible Plan
- OEBB – Kaiser Medical Plan 1A
- OEBB – ODS Dental Plan 4
- OEBB – Kaiser Dental Plan 8
- OEBB – ODS Vision Plan 2
- OEBB – Kaiser Vision Plan 5
- OEBB – Kaiser Pharmacy Plan A
- OEBB – ODS Pharmacy Plan A
- OEBB – ODS Integrated Pharmacy Plan
- OEBB – Kaiser Orthodontia Plan A
- OEBB – ODS Orthodontia Plan

DCU TEAMSTERS**Full-Time and Part-Time Employees:**

- **Teamsters Trust Medical Plan A**
- **Teamsters Kaiser Permanente Plan A**
- **Providence Health Plan PPO Plan A**
- **Teamsters Trust Kroger Pharmacy Plan A**
- **Teamsters Trust Dental Plan A**
- **Teamsters Trust VSP Vision Plan**

CAFETERIA PLAN

5.10.090-P

History: ~~Adpt. 12/06/93; Emergency Amd. 12/09/02, BA 2512; Final Adpt. 2/10/03, BA 2561~~



PORTLAND PUBLIC SCHOOLS

Office of the Chief Academic Officer
Carla Randall

501 N. Dixon, Portland, OR 97227
Phone: (503) 916-3202; Fax: (503) 916-3404

To: Superintendent Smith

From: Ewan Brawley *EB*

Date: January 18, 2011

Subject: Grades K-5 Mathematics Instructional Materials Adoption

Issue Statement

A strong and viable core curriculum is an essential component to student learning and closing the achievement gap. Our current K5 math program (Investigations, Classic) was adopted by PPS in 1998. Due to a number of factors, including the amount of time since the last adoption, currently there is little consistency and viability to the district core curriculum in K5 mathematics. If we are to improve students' readiness for advanced mathematics in middle grades and beyond (as we measure in the milestones) then we must have a strong, guaranteed, and viable core math program in the elementary grades.

Background and Process

This recommendation is the product of 18 months of extensive professional development, research and field-testing of materials by a number of groups and individuals representing constituencies throughout PPS. Key components of this process are detailed below.

A **Math Steering Committee** was formed in the Fall of 2009 consisting of twelve representatives from special education, ESL, Immersion, TAG, classroom teachers, administrators and a school-based math coach. Some of the people on the steering committee would also serve as members of the adoption committee. The role of this group was to guide the work of the adoption committee by providing leadership and developing resources, an evaluation tool, and in formalizing the structure of the adoption committee work.

The Curriculum Materials Adoption Advisory Committee (CMAAC) began its work towards a recommendation in the Fall of 2009. This committee consisted of 45 representatives from various constituencies and schools throughout the district. This included 38 PPS teachers and administrators and 7 parents and community members representing schools from multiple regions. This group began its work by identifying the skills and knowledge students needed to obtain in order to be successful in advanced mathematics.

This process involved a unique collaboration of elementary teachers working with middle school and high school colleagues to identify attributes for materials that could best address the long-term needs of students.

The committee also specifically identified and considered core effective mathematical practices, the use of physical models and manipulatives to construct learning, depth of mathematical content, and alignment to standards and milestones. Through this lens, the committee made the recommendation to proceed with a more detailed evaluation of four (from the original nine) curriculum programs. The four programs were: *Every Day Math*, *Math in Focus*, *Investigations*, (Second ed.), and *Bridges in Mathematics*.

The Math Steering Committee reviewed various evaluation tools, collected from school districts around the state and created a PPS Mathematics Evaluation Matrix, which was returned to the CMAAC committee for editing and approval. In early 2010, the CMAAC worked to evaluate each of the four programs using this district-developed evaluation tool. Every CMAAC member used this tool to evaluate all four of the programs. Each publisher presented a curriculum overview facilitated by teachers that were experienced using their respective curricula to the CMAAC members.

Selected CMAAC members hosted three public open house sessions in January and March of 2010. Sample materials from all four programs under consideration were available for public viewing. CMAAC members were also available to answer questions. Everyone in attendance had the opportunity to complete a public input form. The data that was collected was shared with the larger CMAAC for their consideration.

This evaluation and public review served to narrow the field to two finalist programs: *Investigations, Second edition* and *Bridges in Mathematics*. The *Investigations* curriculum is the newest edition of the current PPS K-5 math program, now published by Pearson. It is built on the idea that students bring their own mathematical ideas and experiences to the classroom and the curriculum and instruction must support and expand those ideas.

Bridges in Mathematics, published locally by the Math Learning Center in Salem, focuses on the development of increasingly complex visual models to help students develop understanding of complex mathematics concepts. Both programs offer approaches thoroughly supported by research and field experiences and were initially developed with support from the National Science Foundation (NSF).

The final phase of the evaluation process consisted of a **four-month pilot** of each of the two finalist programs. Pilot classroom teachers were identified and divided into two groups and agreed to implement each program in their classrooms and use this experience to inform the final evaluation. During this phase, the teachers had regular meetings to share their experiences, receive ongoing support from math specialists and the publishers, and refine the final evaluation matrix. (Attachment A)

During the final phase, the Pilot / Studio teachers and math achievement coordinators also hosted several additional opportunities for community and parent feedback. This included an evening session hosted centrally at the BESC and at school sites in each quadrant of the city hosted by math curriculum specialists during parent/teacher conferences. These sessions were publicized on the PPS web page, Pulse and using social media sites. The data collected was presented to the pilot teachers prior to the final evaluation.

Finally, the pilot teachers evaluated Bridges and Investigations based on a matrix consisting of the following criteria:

1. ***Instructional Approaches:*** This component examined the degree to which the materials support best practices of math instruction in the classroom. This includes the extent to which they facilitate and accommodate instructional strategies to address the needs of diverse learning styles, backgrounds and programs within the district.
2. ***Mathematical Content:*** This component evaluates the degree to which the materials support and align with the Common Core state standards, which the state board of education voted to adopt in October. This included a balance of support for developing students' conceptual understanding and procedural fluency, skills emphasized by the National Council for Teachers of Mathematics (NCTM) and the Common Core.
3. ***Organization of the Materials:*** For this section the pilot teachers looked at the logic and progression of topics addressed within the program to ensure clarity, focus and coherence.
4. ***Assessment:*** The teachers evaluated the extent to which the materials from each program facilitated the use of (formative) assessment techniques designed to help teachers improve instruction as well and summative assessments to evaluate student understandings and mastery of key concepts.

5. **Utilization of Technology:** In this section the teachers were asked to evaluate each program's online resources, support for computer-based learning, interactive white boards, mobile devices and other technology to transform the learning experience.

As a result of the classroom experience of the pilot teachers and this evaluation, *Bridges in Mathematics* emerged as the clear favorite of the CMAAC. (Attachment B)

Fiscal Impact

The fiscal impact for the 2010/11 school year is approximately \$2,000,000. This amount includes purchasing student textbooks, teacher/classroom materials, resources and facilitation of professional development provided by the Math Learning Center. This amount is within the amount allocated to the 2010/11 general fund K5 math textbook adoption budget.

Professional development will occur during the summer of 2011 and continue for the life of the adoption. General fund and Title II-A as part of the annual Curriculum and Instruction budget will cover the salary and materials expenses.

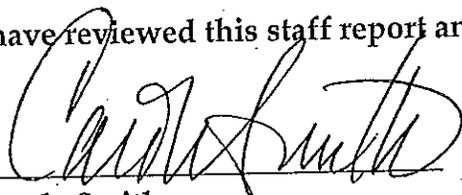
Staff Recommendation

Staff recommends that the Board of Education approve the pilot recommendation and vote to adopt *Bridges in Mathematics* from the Math Learning Center, Salem, OR as the core materials for mathematics for grades K-5.

Board Committee Review

The Student Achievement Committee will review this recommendation on January 27, 2011.

I have reviewed this staff report and concur with the recommendation to the Board.



Carole Smith
Superintendent
Portland Public Schools

1/20/2011
Date

ATTACHMENTS

- Attachment A: Materials Evaluation Matrix
- Attachment B: Pilot Final Evaluation Data



PORTLAND PUBLIC SCHOOLS

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Carole Smith
Superintendent

OFFICE OF THE SUPERINTENDENT

January 28, 2011

MEMORANDUM

TO: SAPIR Ad Hoc Committee Members Adkins, Knowles, and Regan

FROM: Carole Smith, Superintendent

In addition to the attached Staff Recommendation, I would like to share thoughts I have about the Alameda, ACCESS, Beaumont, and Sabin enrollment issues. First, I would like to recognize that these issues and their consideration have been difficult for all the parties involved. I also want to express my deep appreciation for the staff and community members, particularly those who served on the Boundary Advisory Committee (BAC), for giving significant time and energy to grappling with these issues.

At the beginning of this process, staff suggested that the complex nature of these decisions may require more time. We had intended to complete the process of reaching resolution on these issues earlier this school year in order to implement within the 2011 enrollment and transfer cycle, but were delayed by the extended timeframe for high school system design. In discussing the original staff recommendation with each of you on the SAPIR Ad Hoc Committee, it became evident that we had not identified sustainable solutions that could move out of the committee within the time necessary to meet the enrollment and transfer cycle deadline. This compressed timeline was clearly a barrier to bringing forward actionable solutions our Board is comfortable moving forward with at this time.

Given this situation, I have asked staff to prepare a new set of recommendations (attached) which are primarily interim measures. Where possible, staff has provided reasonable, immediate mitigating strategies to the presenting enrollment issues. They have also outlined some specific longer term questions that remain unresolved.

There are two additional recommendations I have asked staff to prepare. I believe we would benefit from policy language outlining a standard process for public engagement around potential student assignment change decisions in the future. I have also asked staff to develop policy language that allows the Superintendent to take selective action in schools where there is extreme over-crowding, by affording families a temporary option into a neighboring school with space while we seek longer term solutions. I will bring these forward for your consideration.

Again, thank you for your commitment to these issues, and please join me in expressing appreciation for our staff and volunteer community members on the BAC. Their work and analysis has built a strong foundation upon which we can examine these issues and those that are similar across our district as part of a more comprehensive process. I am confident we will continue to make steady progress towards the balanced enrollment and healthy grade configuration we need throughout our community.



PORTLAND PUBLIC SCHOOLS

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STAFF REPORT SUPERINTENDENT RECOMMENDATION TO THE BOARD

ACTION/INFORMATION ITEM: ALAMEDA/BEAUMONT/SABIN ENROLLMENT OPTIONS

Board Committee Meeting Date: February 3, 2011

District Priority: Balanced School Enrollment

Board Meeting Date (if action item): February 7, 2011

Executive Committee Lead: Sara Allan

Department: Systems Planning & Performance

Staff Lead: Amanda Whalen

I. ISSUE STATEMENT

Alameda K-5 School, Beaumont Middle School, and Sabin K-8 School, all with contiguous boundaries, have enrollments that are unbalanced. While one neighborhood school is experiencing over-crowding and is expected to continue to have growth, the other two schools struggle to offer minimum breadth and depth of programs at the 6-8 level and rely on transfers from other schools and additional resources to provide the full core program. This scenario cannot continue, particularly given the ongoing fiscal environment for public education in Oregon. Having monitored the enrollment of these schools for a number of years as well as the demographic changes within the catchment areas, the staff believes that district action is necessary to mitigate this issue.

II. BACKGROUND

Alameda (K-5) has 779 students enrolled, class sizes significantly above the district average, and the capacity utilization of the facility is above 100%. Enrollment at Alameda has increased by 150 students since 2004 and its neighborhood population is expected to continue to grow in the next 5 years. Factors that contributed to this include: significant growth in the student population density of the Alameda catchment area, an increase in the neighborhood capture rate of students attending Alameda, and a 2006 boundary shift between Alameda and Roseway Heights- expanding the Alameda catchment area by approximately 58 resident students.

Sabin (K-8) has 342 students grades K-8, but only 54 in grades 6-8. While its capture rate in Kindergarten this year is at almost 75%, the neighborhood population is still small (484 students K8) and the capture rate for 6th through 8th grades is 17%. Sabin currently receives additional funding in order to provide its middle years program.

Beaumont has a very small neighborhood population (318 students) and relies on transfers to provide its program. Beaumont is the only neighborhood middle school with only one

feeder K-5. Additionally, Board resolution dictates that Sabin students grades 6 through 8 have a guarantee into Beaumont.

ACCESS is an alternative program of 200 students grades 2-8 located at Sabin where they share space and some resources. District staff has committed to engaging in a process with ACCESS over the next year around a long-term plan, including identifying a location, that is separate from this process.

III. RELATED POLICIES/BEST PRACTICES

The process staff used in this situation is consistent with process as outlined in the Student Assignment to Neighborhood Schools Board Policy, *4.10.045.P* and the Administrative Directive, for Student Assignment Review & School Boundary Changes, *4.10.049-AD*.

IV. COMMUNITY ENGAGEMENT

Staff formed a Grant Boundary Advisory Committee [BAC] made up of two parents from each of the three schools and ACCESS, and four members from Neighborhood Associations: NE Coalition of Neighborhoods, Alameda Neighborhood Association, Beaumont Neighborhood Association, and Sabin Neighborhood Association. School members were chosen by their school communities to represent the collective interests of the whole school, while neighborhood association members represented the collective interests of neighborhood residents, including those who don't currently have children in school. School administrators also provided input and were available throughout the process to answer questions and concerns of parents. The BAC was facilitated by Margot Helphand, a consultant who has facilitated a number of boundary processes across the state, including prior PPS boundary processes. The BAC met twice in December and twice in January to review data, and develop and vet options. There was a well attended community forum on January 13th at Beaumont which garnered significant input. The staff and Board have received numerous emails and letters representing a wide variety of opinions. The BAC finalized a recommendation for the Superintendent on January 20th.

PPS sent out a number of emails to families' enrolled in the participating schools explaining the process and providing information on the community forum. Families also received information about the forum via two automated calls. There has been information available on the school and PPS webpages as well. In addition, we contacted reporters to ensure adequate news coverage of the process which resulted in several articles.

Additionally, the Alameda Neighborhood Association, on its own initiative, distributed flyers to homes in the neighborhoods that were being discussed as potential areas to shift into the Sabin neighborhood boundary.

Data Reviewed by the BAC:

- Current enrollment information for cluster (neighborhood populations, capture rates, building utilizations, transfers)
- Demographic factors
- PSU population projections

Parameters of the Work Presented to the BAC:

- Must consider the interests of all the students at all the schools.

- Must anticipate fewer resources across the district in the future.
- May have different solutions for different schools.
- Goal is to have a recommendation ready for a Board vote on January 24, but recognize the complexity of issues may require additional time.
- Any solution set should be sustainable for multiple years.

Evaluation Criteria of Options Used by the BAC:

- Enrollment stability- Projected enrollment across the schools must allow for a robust core program.
- Sustainability- Any solution set should be feasible for years to come.
- Proximity- Students should be assigned whenever feasible to the closest school to their home.
- Student impact- Minimize the total number of students reassigned and limit the number of transitions.
- Economic diversity- Strive to maintain relatively similar levels of students who qualify for free and reduced-price meals across schools in order to maintain a balanced population from different socioeconomic backgrounds.

BAC Recommendation

On January 20, 2011, the Boundary Advisory Committee developed a set of recommendations to the Superintendent that included the following points:

Alameda over-enrollment and Sabin under-enrollment

- Sabin remains a K8 school.
- Where requested, current Alameda students are guaranteed into Sabin for 1-2 years.
- Recommend a modest boundary change (BAC also prioritized the sections of the map for the new Sabin neighborhood boundary), but all current Alameda students are guaranteed into Beaumont.
- District commits to finding a permanent location for ACCESS.

Beaumont under-enrollment

- Beaumont is allowed to grow to 550 students through transfers. As the middle school option in the Grant cluster, students from the Grant K8s are given priority over other district students except where required by statute (i.e. NCLB).

The full BAC recommendation is attached.

V. BOARD OPTIONS

In addition to the BAC recommendations, some additional options considered include:

- A larger boundary change between Alameda and Sabin (any of the scenarios presented at Community Forum).
- Alameda 5th Graders move to Beaumont for next year.
- Changing the configuration of each of the three schools to K-8 or some aligned configuration between the three (example- Sabin K-2, Alameda 3-5, Beaumont 6-8).
- No changes for next year.

It is important to identify some of the limitations of this process.

1. The District Staff recognized from the beginning of this process, as defined in the initial BAC parameters, that the complexity of these issues may require additional time in order to come up with sustainable solutions. This became evident as the process progressed.
2. Feedback from the community and the BAC indicates that people had a sense that the time allotted for generating solutions was compressed. While staff at the schools and in the district, as well as many affected families, have been raising and working through the specific enrollment issues, the actual time period for the public process to define solutions has been perceived by many as limited. This was exacerbated by the fact that the 8 week period for considering these issues occurred during the busy holiday season. This was not the initial intent, but became the only time available for making changes prior to the enrollment and transfer cycle, given the delayed high school system design decisions.
3. The process attempted to bring together a number of different issues, given the proximity of these schools, in the attempt to identify a solution set that would address each of these issues. It has become clear that these issues might be better served with independent solutions.
 - a) The Sabin 6-8 grade under-enrollment problem is also present in a number of other district K-8 schools. The solution to this issue may be best applied across all of these schools, not exclusively at Sabin.
 - b) The Beaumont under-enrollment is a factor of an inadequate feeder pattern by design, and moving the Sabin 6-8 grade population may not alone resolve this issue.
 - c) The Alameda over-crowding issue may need to be considered in the context of each of the neighboring school enrollment catchment areas, while recognizing any shifts to neighboring schools could cause split feeder patterns at the high school level and further jeopardize Beaumont's neighborhood size.
 - d) As mentioned above, the location and long-term plan for ACCESS needed to be addressed outside of this discussion of Grant cluster neighborhood schools.

Given these limitations, the BAC did an enormous job of handling such complex and challenging issues in coming to its recommendation for the Superintendent. Staff has incorporated aspects of the BAC recommendation as well as the feedback from the BAC and members of the community in developing a recommendation that looks to a wider and longer process for creating sustainable solutions for this community.

VIII. STAFF RECOMMENDATION

Staff proposes the following interim solutions for Alameda, Sabin, Beaumont and ACCESS while the District examines the issues around balanced enrollment and grade configuration as part of separate, wide-spread processes:

Alameda over-enrollment & Sabin under-enrollment

- No boundary shift between Alameda and Sabin will be proposed for the 2011-12 school year. Instead, staff is recommending that the Board provide a temporary guarantee to all Alameda neighborhood residents into Sabin Elementary, given the attractive small class sizes and International Baccalaureate program. It is anticipated more parents would be willing to take advantage of this, as Alameda

class sizes are likely to increase and some program changes might need to occur to accommodate additional students beyond the current enrollment.

- The Superintendent will bring forth a resolution to the Board requesting that in schools where there is extreme over-crowding, at the Superintendent's discretion, families may be afforded a temporary option into a neighboring school with space.
- It is clear that there is an imbalance in neighborhood populations across these schools. Alameda has 775 students grades K-5 and is expected to continue to grow, while Sabin only has 484 students grades K-8. A solution will be required as Alameda will not be able to remain in its current configuration in its building. The Superintendent is directing staff to expand this process to include other schools both within and outside of the Grant cluster.

Sabin 6-8 size and program

- No immediate action is recommended in relation to Sabin K-8 configuration. However, there are serious concerns around resources and the ability to provide a viable educational program at the mid-level grades with so few students. As this is an issue in a number of schools, examination of this grade configuration will be revisited during this year's budget development phase, and the Superintendent may direct staff to propose a different solution at that time if we cannot functionally offer a viable 6-8 program for the 2011-12 school year.

Beaumont under-enrollment

- Transfer slots into Beaumont will be managed to ensure that enrollment does not decline from current levels. Alameda's 5th grade is larger this year than in previous years, as is Sabin's and therefore we expect Beaumont to experience some organic neighborhood growth next year. The District is committed to ensuring that NE Portland has a thriving middle school option for its students, however, allocating significantly more transfer slots to Beaumont at this time means that other schools, potentially schools that also struggle with enrollment, will lose students. A long term sustainability plan for Beaumont must be part of the ongoing, broader review of the structure of 6-8 programs in this area. While the Boundary Advisory Committee recommended that a preference be given to students from the Grant cluster, Beaumont already serves a high number of those students (currently 65) through the current transfer process. In the coming year, we will ensure that Beaumont can at least maintain its current enrollment without exacerbating the negative impact that transfers have on middle grades programs within and beyond the Grant cluster.

Long-term plan for ACCESS

- Staff has already begun discussions with the ACCESS community to identify issues in creating a long-term plan for the ACCESS program.

Student Assignment and Boundary Change Process

- While the Student Assignment to Neighborhood Schools Policy provides some general guidance for making student assignment and boundary changes, staff believes we need a standard process for public engagement around potential student assignment changes. This has been evident not only in this process, but also in the Jefferson Dual Assignment and Marshall Closure public engagement processes. The Superintendent believes this is a necessary procedure to define

and has asked staff to draft an Administrative Directive outlining such prior to additional boundary change decisions in the future. The Board will be solicited for input into this process.

VI. FISCAL IMPACT

It is unclear what the potential fiscal impacts would be of these actions, due to the fact that we can only project student enrollment. Some potential fiscal impacts include:

- Continued over-crowding at Alameda could require some space reconfiguration within the building. These changes would require funding.
- Continued under-enrollment at Beaumont and Sabin could require additional District funding subsidy in order to ensure an adequate educational program in alignment with District standards.
- Transfer students from other K-8 schools into Beaumont, could also increase the likelihood that those schools will not be able to offer adequate educational program without subsidy.
- Potentially moving ACCESS to a different building for the 2012-13 school year would likely incur additional funding.

It is possible that none of these scenarios come to pass, in which case there is no recognizable fiscal impact.

VII. TIMELINE FOR IMPLEMENTATION/EVALUATION

If accepted, these recommendations could be implemented immediately. Additionally, the Superintendent may ask staff to recommend a different action to address the program capacity concerns in small 6-8 programs if significant budget reductions are required. Lastly, staff will work with the schools to develop other solutions if enrollment issues persist.

I have reviewed this staff report and concur with the recommendation to the Board.



Carole Smith
Superintendent
Portland Public Schools

February 3, 2011

Date

ATTACHMENTS

(List all supporting documentation, including resolution, etc.)

- A. BAC Recommendations
- B. Resolution XXXX forthcoming



PORTLAND PUBLIC SCHOOLS

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Brock A Logan
Director of Labor Relations

DEPARTMENT OF HUMAN RESOURCES

MEMORANDUM

Date: January 24, 2011
To: Board of Directors
Subject: Amalgamated Transit Union #757 contract

I am pleased to announce that the Amalgamated Transit Workers Union #757, representing Portland Public Schools bus drivers, has ratified the parties' tentative agreement for a 2010 – 2012 Collective Bargaining Agreement. The substantive terms of the Agreement are outlined below.

1. Wages

2010 – 2011 2% increase to the salary schedule effective 7/1/2010.

2011 – 2012 0% increase to the salary schedule.

2. Insurance

Effective October 1, 2010 District contribution for health insurance increases by \$50 to \$926 per full-time employee per month.

Effective October 1, 2011 District contribution for health insurance increases by \$50 to \$976 per full-time employee per month.

3. Other Changes

Updated and clarified the grievance procedures.

Martin Luther King, Jr Day will be added to the list of observed holidays.

BOARD OF EDUCATION
SCHOOL DISTRICT NO. 1J, MULTNOMAH COUNTY, OREGON

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Personnel

The Superintendent RECOMMENDS adoption of the following items:

Numbers 4399 through 4402

RESOLUTION No. 4399

Election of Third-Year Probationary Teachers (Full-Time)

RECITAL

The Superintendent recommends to the Board of Education (“Board”) the following named persons for election as Third-Year Probationary Teachers.

RESOLUTION

The Board accepts the recommendation and by this resolution hereby elects as Third-Year Probationary Teachers for the school year 2010-11, upon the terms and conditions for employment contained in the standard form contract approved by the legal counsel for the District, the following persons, with all to be placed on the applicable Salary Guide that now exists or is hereafter amended:

Full-Time

Full Name

Montfort, Alex P

O'Hara, Mary Rose

H. Harris

RESOLUTION No. 4400

Election of Second-Year Probationary Teachers (Full-Time)

RECITAL

The Superintendent recommends to the Board of Education (“Board”) the following named persons for election as Second-Year Probationary Teachers.

RESOLUTION

The Board accepts the recommendation and by this resolution hereby elects as Second-Year Probationary Teachers for the school year 2010-11, upon the terms and conditions for employment contained in the standard form contract approved by the legal counsel for the District, the following persons, with all to be placed on the applicable Salary Guide that now exists or is hereafter amended:

Full-Time

Full Name

Hatswell, Samantha

Markewitz, Emily L

H. Harris

RESOLUTION No. 4401

Election of First-Year Probationary Teachers (Full-Time)

RECITAL

The Superintendent recommends to the Board of Education ("Board") the following named persons for election as First-Year Probationary Teachers.

RESOLUTION

The Board accepts the recommendation and by this resolution hereby elects as First-Year Probationary Teachers for the school year 2010-11, upon the terms and conditions for employment contained in the standard form contract approved by the legal counsel for the District, the following persons, with all to be placed on the applicable Salary Guide that now exists or is hereafter amended:

Full-time

Full Name

Scheiman, Anne E

Reeves, Jennifer J

H. Harris

RESOLUTION No. 4402

Appointment of Temporary Teachers and Notice of Nonrenewal

RESOLUTION

The Board of Education accepts the recommendation to designate the following persons as temporary teachers for the term listed below. These temporary contracts will not be renewed beyond their respective termination dates because the assignments are temporary and District does not require the teachers' services beyond completion of their respective temporary assignments.

Full Name	Location	Job Title	FTE	Start Date	End Date
Brown, Margaret E	SPED Itinerant @ BESC	School Psychologist	0.30	1/3/2011	6/17/2011
Denny, Patricia N	West Sylvan MS	Teacher-MS Gr 6 LA/SS Teacher-SPED Intsv Skills	1.00	11/1/2010	6/17/2011
Ewers, Cindy L	Beaumont MS	Acad	1.00	1/3/2011	6/17/2011
Galli, Dawn M	Wilcox Alliance HS @	Autism Specialist	0.60	1/4/2011	3/19/2011
Harati, Sorahi S	Marshall Night	Teacher-HS ESL/PLAZA Teacher-SPED Gr K-8	0.50	12/15/2010	6/17/2011
Hassett, Karin B	Hayhurst K-5/K-8	Learn Ctr Tchr-SPED Gr K-3 SE-	0.40	12/6/2010	6/17/2011
Lindsay, Lisa A	Holladay Center	Intensive	1.00	10/12/2010	3/18/2011
Margolis, Karen E	Benson HS Marshall HS	Teacher-HS LA	1.00	12/8/2010	6/17/2011
McCarthy, Paul G	Campus SPED Itinerant @	Teacher-HS LA/SS	0.50	1/3/2011	6/17/2011
McClure, Melissa A	BESC	School Psychologist	1.00	1/3/2011	6/17/2011
Mendels, Sharon R	Llewellyn K-5	Teacher-ES Gr 3	1.00	10/4/2010	1/29/2011
Mulvihill, Michele L	Grout K-5	Teacher-ES Gr K	1.00	10/4/2010	6/17/2011
Niemann, Bruce R	Winterhaven K-8	Teacher-K8 Technology	1.00	11/12/2010	3/3/2011
Surrett, Carol Mary	Humboldt PK-8	Teacher-K8 Technology/PE	1.00	11/29/2010	6/17/2011
Unsicker, Thomas	Wilson HS	Teacher-HS Graphic Art Tchr-SPED Gr K-8 Learn	0.50	9/14/2010	4/1/2011
Wallsmith, Sandra	Woodlawn PK-8	Ctr	0.20	1/3/2011	6/17/2011

H. Harris

Purchases, Bids, Contracts

The Superintendent RECOMMENDS adoption of the following item:

Number 4403

RESOLUTION No. 4403

Personal / Professional Services, Goods, and Services Expenditure Contracts
Exceeding \$150,000 for Delegation of Authority

RECITAL

Portland Public Schools (“District”) Public Contracting Rules PPS-45-0200 (“Authority to Approve District Contracts; Delegation of Authority to Superintendent”) requires the Board of Education (“Board”) enter into contracts and approve payment for products, materials, supplies, capital outlay, equipment, and services whenever the total amount exceeds \$150,000 per contract, excepting settlement or real property agreements. Contracts meeting this criterion are listed below.

RESOLUTION

The Superintendent recommends that the Board approve these contracts. The Board accepts this recommendation and by this resolution authorizes the Deputy Clerk to enter into agreements in a form approved by General Counsel for the District.

NEW CONTRACTS

Contractor	Contract Term	Contract Type	Description of Services	Contract Amount	Responsible Administrator, Funding Source
Organization for Educational Technology & Curriculum	01/27/11	Purchase Order PO 99435	District-wide: Purchase of 500 document cameras, 500 data projectors, and other components for Spring 2011 Tech Bundles Project.	\$427,750	N. Jwayad Fund 407 Dept. 5581 Project A1007
Milroy Golf Systems, Inc.	02/01/11 through 09/30/11	Construction C 58146	Jefferson & Madison HS: Upgrades to the athletic field irrigation systems; 2010 Recovery Zone Project, ITB 10-1323.	\$159,600	T. Magliano Fund 421 Depts. 3118 & 3218 Project E0106

AMENDMENTS TO EXISTING CONTRACTS

No Amendments to Existing Contracts

INTERGOVERNMENTAL AGREEMENTS (“IGAS”)

No IGAs

N. Sullivan

Other Matters Requiring Board Action

The Superintendent RECOMMENDS adoption of the following items:

Numbers 4404 through 4408

RESOLUTION No. 4404

Call for Five-Year Serial Levy

RECITALS

- A. Strong public schools are the foundation of a great city, supporting families, keeping neighborhoods vital, building community and strengthening the local economy.
- B. Successful schools are proven to contribute to all citizens' quality of life, attract business and reduce crime.
- C. Portland Public Schools (PPS) serves almost 47,000 students, enrolling a higher share of its city's students than any other large, diverse urban area in the country.
- D. PPS has defined ambitious targets and is holding itself accountable for progress toward critical student achievement measures through the Milestones Framework that will drive the 2011-16 PPS Strategic Plan and budget decisions for years to come.
- E. In the last year, overall student achievement improved on six of the seven Milestones in PPS, and work continues to ensure improvement on all seven.
- F. PPS has adopted a defined core program for community high schools, including both college-credit bearing and support courses, the performing and visual arts, music and all core diploma requirements and has defined a program for the elementary and middle grades that prepares students to take advantage of the high school program.
- G. Strong schools need stable funding to enable staff and student support to focus on continued improvement in education for all students.
- H. PPS has improved its financial accountability through increased audits, stringent new contracting procedures, and citizen oversight.
- I. PPS has focused resources on the classroom, spending 75 percent of its budget on teachers, textbooks and school staff, as measured by the Oregon Department of Education's Database Initiative. Only 4 percent of the PPS budget pays for central administration, lower than in Seattle Public Schools (6 percent) and half the average in other large urban school districts (8 percent).
- J. PPS has exercised strong financial management over benefits costs, with all employees paying a share of health care premiums and all employees paying the 6 percent contribution into their retirement plans (a cost picked up by many public employers), and by refinancing the district's PERS retirement obligations to save millions of dollars each year.
- K. Wise management and use of reserves has helped protect PPS schools from deeper service reductions in the last several years, but these reserves are now essentially at the minimum level needed for fiscal prudence, to guard against further state budget reductions, and to preserve the PPS bond rating.
- L. Despite sound budgeting practice, decades of budget reductions and staffing cuts have left too many PPS schools with large class sizes, few electives in arts, music and technology, not enough classroom support staff, and minimal staffing in libraries and physical education.

- M. Even in the face of significant budget cuts and the desire to retain as many teachers as possible, the PPS Board will prioritize support for effective teaching throughout our schools. This support for teachers, principals and other instructional staff shall include improved performance evaluation, collaborative professional development, and mentoring. The Board is encouraged by the direction and the collaborative nature of the teacher evaluation workgroup that is currently meeting between PPS management and the Portland Association of Teachers (PAT). Additionally, the Board will prioritize mentorship programming like that which was previously supported by both PPS instructional leadership and the PAT.
- N. A priorities-based approach will guide PPS budget decisions this year to ensure that scarce dollars are paying for programs and services that have the greatest impact on students' education.
- O. The State School Fund provides almost three-quarters of the PPS budget for general education, teachers and school operations. The state has cut its funding for K-12 schools in the last three years, costing PPS \$24 million, or the equivalent of more than 260 teaching positions.
- P. Temporary increased federal support for schools under the stimulus funding is ending, with federal funding expected to drop by as much as \$20 million in 2011-12, the equivalent of 210 fulltime teaching positions, or double that number of classified educational aides.
- Q. The federal Individuals with Disabilities Education Act (IDEA) places a mandate on school districts to provide special education services. Federal funds, through IDEA and the American Recovery and Reinvestment Act, funds \$11.1 million or 15 percent of PPS 2010-11 forecast cost – which is substantially less than the 40 percent level that was promised when the legislation creating this mandate was approved. In 2011-12 PPS will have to make up more than \$20 million of these costs relative to this unfunded federal mandate.
- R. Governor Kitzhaber has included a \$5.56 billion State School Fund in his proposed 2011-13 state budget, more than \$1.1 billion short of the amount the Legislative Fiscal Office analysis indicates is needed to continue current K-12 services across the state. That proposal now goes to the Legislature, which will pass a budget later this spring. Under a \$5.6 billion state budget, PPS projections are that the school district would face a shortfall of \$80 to \$90 million in 2011-13, the equivalent of operating without 450 teaching positions each year.
- S. Recognizing the impact of continued state funding cuts, the Oregon Legislature in 2007 expanded local school districts' capacity to ask voters for local option funds to protect local education services, offering PPS the opportunity to present a renewed levy at the full allowable rate.
- T. A PPS local option levy would again provide five years of critical funding for local schools, protecting teaching positions and class sizes.
- U. A replacement local option levy could support more than 600 teaching positions. That's at least 200 teaching positions more than supported by the current local option levy, with a rate of \$1.25 per \$1,000 in taxable assessed property value. PPS would have to cut the equivalent of those 200-plus teaching positions due to state cuts to the PPS budget.
- V. The levy offers the chance to offset a significant portion, but not all, of the expected state budget cuts and drop in federal funding.

- W. PPS has referred a school facilities bond, Measure 26-121, to the May ballot. The rate for that bond (about \$2.00 per \$1,000 of assessed value) is in the mid-range for facilities bond programs now in place in every neighboring school district. Increasing the local option rate at the same time is a significant request of the community. However, if voters approve, PPS' combined local option and school facilities bond rates would remain lower than in several suburban school districts where voters have already approved both facilities bonds and local option levies.
- X. All funds raised under this proposed levy will be used exclusively for Portland students in PPS schools; and none of the funds will go to the state for distribution under the state school funding formula.
- Y. The PPS Board of Education (Board) acknowledges the significant costs to property taxpayers of the two proposed measures. However, maintaining a strong and effective teaching staff and offering safe, well-equipped and up-to-date school buildings for learning are both imperative to fulfill the mission of the school district and to responsibly ensure sound educational outcomes for students.
- Z. The Board's Finance, Audit and Operations Committee, having considered the budget outlook for PPS, reviewed this resolution on February 1, 2011, and unanimously recommended, that the Board vote on February 7 to refer this measure.

RESOLUTION

1. The Board shall ask voters to approve a five-year local option levy in May 2011, that would provide \$57 million in the 2011-12 school year.
2. The money shall provide only for maintaining teaching positions and continuing improvements to support student achievement and great teachers and leaders for PPS. None of the funding shall pay for administrative costs.
3. The fully allowable levy rate combining what taxpayers already pay and the additional allowed amount shall be \$1.99 per \$1,000 of assessed value, which is estimated to cost roughly \$24.45 per month for the median home in the PPS district.
4. If the replacement local option levy passes, PPS and its Board shall not collect the final year of the current local option levy, approved in 2006; at \$1.25 per \$1,000 of assessed value, that levy would have cost the median homeowner an estimated \$15.36 per month.
5. PPS and its Board will continue to increase the efficiencies of operations and service delivery through cost containment practices, wherever possible;
6. The Board shall appoint an independent citizen oversight committee to ensure that the funds are spent as the voters intended.

To that end, the Board will continue to commission performance audits of the school district's activities, programs and services to achieve cost savings through increasingly efficient use of resources; as well as to seek opportunities to improve school effectiveness and capacity-building for increased accountability. Audits will continue to be conducted by an independent auditor who will work at the direction of the Board to define the scope and design of audits. Performance and program audits will be undertaken for activities that are supported by the general fund budget as well as local option funds.

The Board will enlist a citizen oversight committee to independently review the use of local option funds and the audits of those funds to ensure they are used as intended. PPS will provide a detailed accounting of expenditures of local option funds to the citizen oversight committee.

The citizen oversight committee will publish an annual report about the use of the local option funds and its benefit to student achievement.

7. The Board of Directors of School District No.1, Multnomah County, Oregon, finds that for the reasons and purposes described in the proposed measure set forth below, it is necessary and appropriate to levy a local option tax under ORS 280.040 et seq. for the fiscal year beginning July 1, 2011, and for four additional fiscal years thereafter each commencing July 1.
8. A serial levy election is hereby called to be held at the General Election on the 17th day of May 2011, in the manner and between the hours provided by law, at which there shall be submitted to the electors of School District No. 1, Multnomah County, Oregon, the following proposal:

CAPTION

Portland Public Schools levy for teachers and educational programs.
(9 words)

QUESTION

Shall schools protect class size, teaching positions; levy \$1.99 per \$1,000 assessed value for five years beginning 2011; require oversight?

This measure may cause property taxes to increase by more than three percent.
(20 words)

SUMMARY

Portland Public Schools' voter-approved local option levy currently provides funding for retaining teachers and providing instructional programs that students need for a well-rounded education. As PPS responds to substantial cuts in state funding to local schools, continuing a local option will:

- Fund 600 teaching positions (some in every school), including 200 that would be lost in the coming school year due to state budget cuts without levy funds;
- Prevent substantial increases in class size so students receive more individual attention from teachers;
- Continue educational programs necessary for a well-rounded education.

Levy cost is \$1.99 per \$1,000 assessed property value of which \$1.25 per \$1,000 assessed property value is currently being paid. Typical home currently pays \$15.36 per month which would be replaced by payment of \$24.45 a month for five years.

No levy funds go to administration. Independent citizen oversight will review expenditures so funds are used as approved by voters.

The levy will produce an estimated \$57 million in 2011-12; \$58 million in 2012-13; \$62 million in 2013-14; \$65 million in 2014-15; and \$66 million in 2015-16.

(154 words)

EXPLANATORY STATEMENT

Portland Public Schools has growing enrollment, currently serving almost 47,000 students in 85 schools and other programs throughout the neighborhoods of Portland. PPS has set ambitious targets for student success, and academic achievement has increased on six of the seven critical Milestone measures in the last year.

However, Portland Public Schools counts on the State School Fund for three-quarters of its budget that pays for general school operations and teachers, and that level has dropped in recent years due to state budget shortfalls.

As a result, PPS has taken action to reduce costs and to ensure a full school year and strong academic programs for students, including the following over the last ten years;

- Closed schools and sold or leased unoccupied buildings and land;
- Negotiated agreements with employees to forgo cost-of-living increases or take pay freezes or furloughs during years of substantial budget cuts;
- Managed health coverage costs through plan design and contributions by all employees to their health premiums;
- Employees pay 6 percent of their salary toward their public retirement plans;
- Streamlined operations such as student transportation and reduced utility costs where possible through energy and water-saving retrofits; and
- Hired an independent auditor working for the Board of Education to complete several audits each year of school programs and services, which has identified efficiencies and further cost savings.

Currently PPS faces further reductions in the state budget projected to cut the equivalent of hundreds of teaching positions over the next two years.

To effectively serve all students in the face of continued state revenue cuts, the Portland Public School District has referred a new five-year local option levy to the voters that will fund teaching positions that would otherwise have been lost due to state budget cuts.

The local option levy will fund:

1. At least 600 teaching positions (roughly 20 percent of school staff working with students every day), of which 200 would be lost without passage of this local option.

- This includes teachers in every school, and will protect class sizes that permit more individual attention for students;
- Funds help to maintain a well-rounded core program, with enrichment for elementary and middle grades and electives in varied interest areas and disciplines for high school students.

2. Fiscal Accountability and Taxpayer Oversight:

This local option will mandate independent citizen oversight to ensure that tax dollars are used only for purposes approved by local voters as listed above.

No funds from this local option levy will be used for district administration.

This local option levy will replace the levy passed by voters in 2006, and the Portland Public Schools Board of Education will not collect the final year of the previous levy.

(452 words)

RESOLUTION No. 4405

Grades K-5 Mathematics Instructional Materials Adoption

RECITALS

- A. An aligned, demanding curriculum ensures every student at every school has the opportunity and access to a rigorous education that prepares them for a career and college. Core curriculum is a hallmark of high performing school districts across the nation that are raising achievement for all students and closing the achievement gap.
- B. For Portland Public Schools, a core curriculum includes four key elements:
1. Standards and benchmarks aligned with state and national standards defining both the academic skills and the course content students should master.
 2. Curriculum materials for teachers and students, such as textbooks, guides, novel sets, lab materials and technology.
 3. Instructional strategies for our teachers to use in the classroom, based on research and data on how students learn best.
 4. Common assessments and assignments to allow schools to periodically evaluate students' progress against the standards.
- C. This recommendation is the product of 18 months of extensive professional development, research and field-testing of materials by groups and individuals representing constituencies throughout PPS. This included a Math Steering Committee and Curriculum Materials Adoption Advisory Committee (CMAAC) that met regularly and utilized a rigorous evaluation matrix to review and determine the best materials for students and teachers. This CMAAC committee consisted of 45 representatives from various constituencies and schools throughout the district. This process involved a unique collaboration of elementary teachers working with middle and high school colleagues to identify critical attributes for materials to address the long-term needs of students. This included 38 PPS teachers and administrators as well as parents and community members representing schools from multiple regions.
- D. The Math Steering Committee considered nine (9) sets of materials for which recommendations are being made. This advisory group reviewed each of the nine (9) ODE approved Curricula in detail and recommended four (4) of them for a more extensive evaluation by the CMAAC. Two programs, identified by the CMAAC, were then piloted by 40 teachers from September through December 2010. Pilot teachers completed a thorough final evaluation of the materials using a rigorous matrix.
- E. During the time that Mathematics CMAAC has been at work, Portland Public School staff has conducted informational meetings with the community, displayed the recommended materials in schools and at public events, updated the School District website with latest information on the proposed curriculum materials, and held open meetings throughout the district, so that the public and PPS staff could have an opportunity to see the materials and to ask questions about them and have provided feedback from emails and calls regarding the recommendations. Public meetings included:
- February 18, 2010, from 10:00 – 2:00
 - February 24, 2010, from 4:30 – 7:30
 - March 1, 2010, from 3:30 – 7:00
- Each session had 10 – 35 - parents, teachers, and community members that attended.

- November 10, 2010, 3:30 -7:30 BESC (Pilot teachers shared their firsthand knowledge about the final two programs.)
Approximately 25 parents, teachers, and community members attended this session.
 - November 22, 2010, 6:30 – 8:00 Multiple sessions were held at five school sites throughout PPS (SW, NW, N, NE and SE) District staff met with parents as they attended evening conferences.
- F. The CMAAC charged with reviewing Grades K-5 Mathematics has completed an evaluation resulting in a clear recommendation to the Superintendent on the materials to be adopted.
- G. The Student Achievement Committee (SAC) reviewed this recommendation on January 27, 2011, and unanimously supported bringing it forward to the board.

RESOLUTION

1. The Board of Education accepts the Superintendent’s recommendation to adopt and purchase the following curriculum materials for Grades K-5: ***Bridges in Mathematics, Published by The Math Learning Center, Salem, OR.*** Materials include multiple student workbooks, interactive student activity resources and manipulatives, assessment resources, integrated children’s literature (books), technology (CDs and online teacher resources), and Bridges Teachers Guides, Getting Started Guide (year long pacing and assessment plan), Number Corner Teacher Edition (daily skill building), and Home Connections resource book.
2. The Board of Education notes that the budgetary impact for the current (2010-11) school year is approximately \$1,900,000. Funds for curriculum materials were specifically identified in the November 2006 “Local Option” property tax levy. The board also notes that certain student consumable materials will need to be refreshed on an annual basis.
3. The Board of Education acknowledges that an adoption of this scale requires ongoing teacher professional development to ensure consistent implementation. The 2011-2012 estimated costs for rollout professional development for implementation are approximately \$2,000,000.
4. The Board of Education encourages, welcomes, and supports creativity in teaching and learning by the teachers and principals across the District and recognizes that such innovation and creativity, coupled with up-to-date curriculum materials, are at the heart of educational excellence.
5. The Board of Education thanks the members of the Math Steering Committee, CMACC, and pilot/studio teachers for their work and the time commitment it represented and commends them for their service to the students of Portland Public Schools.

C. Randall

RESOLUTION No. 4406

Temporary Relief Measure for Alameda Elementary

RECITALS

- A. As part of the Portland Public Schools' annual capacity analysis, staff identified a severe over-crowding issue at Alameda Elementary where there are 775 students and projected growth in the neighborhood population. While staff has begun a public process with the community to change Alameda's neighborhood boundary, there is not enough time to identify and implement sustainable solutions for this neighborhood prior to the transfer cycle.
- B. As a temporary measure, staff recommends that the Board provide a lottery priority for Alameda students to attend Sabin PK-8 school. The Superintendent will determine the target enrollment change and set geographic and grade-level limits as warranted to maintain effective instructional practices at each impacted school, based on space availability and current enrollment patterns.
- C. Alameda Elementary is facing severe over-crowding and would benefit from this temporary relief measure. In addition, work will proceed on additional efforts to reduce over-crowding, including boundary changes, facility modifications and program adjustments.
- D. Sabin has smaller class sizes with space availability at most grades and is an International Baccalaureate candidate school. For the coming school year, current students and incoming kindergarten students living in the Alameda school boundary, will have an option of priority transfer to Sabin PK-8 school, if they apply on-time during the annual lottery transfer cycle.
- E. Communication regarding the transfer opportunity to attend Sabin will be provided through meetings at the schools, written information, and via phone calls in all the district's supported languages. Parents will be guided through the transfer request process by staff in the Enrollment & Transfer Center.
- F. At the end of the school choice lottery cycle, staff will analyze the effectiveness of this transfer provision and, if appropriate, propose a broader resolution to implement this strategy in other cases as needed.
- G. The Ad Hoc Committee on Student Assignment, Program Initiation, and Reconfiguration reviewed this proposal on February 3, 2011, and voted two to one to forward the recommendation to the full Board of Education for a decision.

RESOLUTION

- 1. The Board of Education for the Portland Public Schools accepts the recommendation of Superintendent Smith to grant current Alameda students and incoming Alameda neighborhood kindergarten students a transfer priority to attend Sabin as part of the 2011-12 school choice process. Transferring students will be allowed to remain at Sabin to the highest grade as per Board policy.
- 2. Following the coming enrollment and transfer process, the Board requests that the Superintendent or staff brief Board members on the impact of this relief strategy. If this practice has been found to be effective at temporarily reducing over-crowding, then the Board also requests that the Superintendent develop a broader recommendation for future use of this temporary mitigation strategy.
- 3. The Board requests that the staff continue the process with the community of identifying boundary and program changes for the 2012-13 school year in order to create long term solutions to the current enrollment challenges at multiple schools.

S. Allan

RESOLUTION No. 4407

Adoption of 2011-12 Local Services Plan –Multnomah Education Service District

RECITALS

- A. The 2011-12 Local Service Plan (“LSP”) is essentially a menu of options offered by the Multnomah Education Service District (“MESD”).
- B. Component districts of MESD are asked to approve the full compliment of programs and services, which then constitutes the authorization for MESD to build capacity to make these programs and services available to component districts.
- C. The actual selection and use of resolution funds to pay for selected services remains at the discretion of each individual district.
- D. The MESD is expanding its services to include the Alpha School GED Program, an additional Outdoor School option for 7th graders, and legal services.
- E. The MESD is proposing service improvements and/or enhancements to miscellaneous programs within Instructional Services, Health Services, and Administrative Support Services.
- F. The MESD is a member of a Shared Services Cooperative whose members have agreed to make their services available to all school districts within their combined service area at the same cost. Beginning with their 2011-12 service plans.
- G. The shared services plan purpose, scope and impacts to PPS have not been adequately documented or discussed, therefore the PPS Board does not currently intend to participate in this proposed shared service plan.
- H. The shared services plan has not been implemented, nor agreed to by all school districts within the combined service area.

RESOLUTION

- 1. According to ORS 334.175, the Board of Education of School District No. 1J, Multnomah County, Oregon, agrees to the conditions and provision of all programs and services, described in the Multnomah Education Service District Local Service Plan – 2011-12.
- 2. By approving the MESD service plan resolution, the Portland Public School Board is assured that the shared services cooperative component will have no effect on the Portland Public Schools transit funds and services the district receives from MESD.
- 3. The Board acknowledges that in the event that the required resources are not available, each and every program and service is subject to reduction or elimination at the discretion of the Multnomah ESD Board. If such reductions or eliminations are necessary, they will be made through contingency planning in cooperation with the Superintendents of the local component districts.
- 4. Approving the resolution should not be considered a statement of endorsement by the Board to any statewide shared service plan.

N. Sullivan

RESOLUTION No. 4408

2009 – 2011 Agreement between Amalgamated Transit Union and
School District No. 1, Multnomah County, Oregon

The Chairperson of the Board of Education and the Executive Director of Human Resources are authorized and directed to execute the 2010–2012 Agreement between the Amalgamated Transit Union, representing Bus Drivers and School District No. 1, Multnomah County, Oregon, on the terms presented to the Board and filed in the record of this meeting.

H. Harris / B. Logan